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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.

Applicants

MOTION RECORD
(Returnable June 24, 2024)

June 20, 2024

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TAB	DESCRIPTION
T	Exhibit "T" – Letter dated June 19, 2024 from Bennett Jones to Cassels (re real property)
U	Exhibit "U" – Title sub-searches dated June 19, 2024
V	Exhibit "V" – Elev8 Properties Inc. corporate profile
3	Draft Stay Extension Order

TAB 1

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

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.

Applicants

NOTICE OF MOTION
(Returnable June 24, 2024)

Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on June 24, 2024 at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

[ ] In writing under subrule 37.12.1(1).
[ ] In writing as an opposed motion under subrule 37.12.1(4).
[ ] In person.
[ ] By telephone conference.
[X] By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

THE MOTION IS FOR:

1. An order (the "**Stay Extension Order**") substantially in the form of the draft order to be attached at Tab 3 of the Applicants' Motion Record pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

   (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;

   (b) extending the Stay of Proceedings (as defined below) to and including July 8, 2024;

   (c) extending the date by which the Monitor (as defined below) is required to serve and file any motion for advice and directions pursuant to section 21 of the SISP (as defined below) to and including July 31, 2024; and

   (d) sealing Confidential Appendix "1" to the Fifth Report of the Monitor to be filed (the "**Fifth Report**").

2. Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background to, and Initial Stages in, these CCAA Proceedings

3. The Applicants are Canadian privately-held corporations that, together with certain affiliate corporations that are not Applicants in these CCAA proceedings and SIDRWC Inc. o/a SID Developments, 2707793 Ontario Inc. o/a SID Renos and SID Management Inc., are part of a group of companies (collectively, the "**Company**") specializing in the acquisition, renovation

and leasing of distressed residential real estate in undervalued markets throughout Ontario (the "**Business**").

4. The Applicants are the principal owners of the Company's rental units and the residential properties on which they are situated. Collectively, the Applicants own 406 residential properties (collectively, the "**Properties**") containing 631 rental units, the majority being tenanted, as well as a single non-operating 200-acre golf course, 40 acres of which are zoned for development.

5. Following careful review and consideration of their financial circumstances and available alternatives, and the devasting effects of a bankruptcy, liquidation or uncoordinated enforcement efforts, the Applicants determined that the commencement of these CCAA proceedings was in the best interests of the Applicants and their stakeholders, including their over 300 secured and unsecured lenders (collectively, the "**Lenders**" and each, a "**Lender**"), and approximately 1,000 tenants. Accordingly, the Applicants sought and, on January 23, 2024, obtained an initial order (the "**Initial Order**") under the CCAA.

6. Among other things, the Initial Order:

(a) appointed KSV Restructuring Inc. as the Monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**");

(b) stayed, until February 2, 2024 (the "**Initial Stay Period**"), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' Directors and Officers, or affecting the Business or the Applicants' Property (as defined below), except with the prior written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

(c) stayed, for the Initial Stay Period, all proceedings against or in respect of Aruba Butt ("**Ms. Butt**"), Dylan Suitor ("**Mr. Suitor**") and/or Ryan Molony (collectively with Ms. Butt and Mr. Suitor, 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 the Court;

(d) appointed Chaitons LLP as representative counsel (in such capacity, the "**Lender Representative Counsel**") for all of the Applicants' Lenders in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or in any other proceeding respecting the insolvency of the Applicants that may be brought before the Court (collectively, the "**Insolvency Proceedings**"); and

(e) granted the Administration Charge (as defined in the Initial Order) over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Applicants' Property**").

7. On January 31, 2024, the Court adjourned the Applicants' comeback motion, in part, and granted an amended Initial Order (the "**Amended IO**"). Among other things, the Amended IO:

(a) extended the Stay of Proceedings to and including February 16, 2024;

(b) approved the Applicants' ability to borrow under a debtor-in-possession credit facility (the "**DIP Facility**") pursuant to a DIP Agreement dated January 26, 2024 (the "**DIP Agreement**"), between the Applicants and Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**"); and

(c) granted a charge over the Applicants' Property up to the maximum amount of $4,000,000 in favour of the DIP Lender to secure all amounts advanced by the DIP Lender under the DIP Facility, together with all obligations, fees, expenses and other amounts payable by the Applicants under the DIP Agreement and the DIP Facility (the "**DIP Lender's Charge**").

8. To address certain of the Applicants' Secured Lenders' (as defined below) concerns, the Applicants sought and, on February 15, 2024, obtained an amended and restated Initial Order (the "**ARIO**"), which, among other things:

(a) extended the Stay of Proceedings to and including March 28, 2024;

(b) increased the Applicants' maximum borrowings under the DIP Facility from $4,000,000 to $12,000,000, and granted a corresponding increase to the DIP Lender's Charge;

(c) narrowed the scope of the Lender Representative Counsel's mandate to the Applicants' secured Lenders (collectively, the "**Secured Lenders**"); and

(d) granted the Monitor certain enhanced powers and oversight, including:

(i) requiring the prior written consent of the Monitor for all payments to be made, and liabilities to be incurred, by the Applicants (the "**Consent Requirement**"); and

(ii) directing and empowering the Monitor to (A) 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 Lender Representatives (as defined in the ARIO) 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 these CCAA proceedings as determined by the Monitor (the "**Investigation**"), and (B) report to the Lender Representatives and the Court on the findings of the Investigation as the Monitor deems necessary and appropriate.

9. On March 28, 2024, the Applicants sought and obtained a second ARIO (the "**Second ARIO**"), which, among other things:

(a) extended the Stay of Proceedings to and including April 30, 2024; and

(b) appointed Goldman Sloan Nash & Harber LLP as representative counsel (in such capacity, the "**Unsecured Lender Representative Counsel**") for all of the unsecured lenders of the Applicants other than (i) The Lion's Share Group Inc. ("**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, in the Insolvency Proceedings.

The Applicants' Efforts to Solicit Interest in a Value-Maximizing Transaction

10. In an effort to identify a value-maximizing refinancing, sale and/or other strategic investment or transaction involving the business, assets and/or equity of the Applicants or any part thereof, the Applicants sought and, on April 12, 2024, obtained an order (the "**SISP Approval Order**"), among other things:

(a) extending the Stay of Proceedings to and including June 24, 2024;

(b) approving a sale, refinancing and investment solicitation process in the form attached as Schedule "A" to the SISP Approval Order (the "**SISP**");

(c) authorizing the Applicants to engage Howards Capital Corp. and CBRE Limited as advisors in the SISP (together, the "**SISP Advisors**"); and

(d) authorizing and directing the Applicants, the SISP Advisors, and the Monitor to implement the SISP pursuant to the terms thereof, and to perform their respective obligations thereunder.

11. The SISP contemplates a two-stage process. The first phase requires the submission of non-binding letters of intent ("**LOIs**" and each, an "**LOI**") by Potential Bidders (as defined in the SISP) while the second phase requires the submission of binding offers.

12. Pursuant to the SISP, LOIs were required to be received by the Monitor by no later than 5:00 p.m. (Toronto time) on June 10, 2024 (the "**LOI Deadline**"). Subject to certain safeguards intended to protect its integrity, the SISP requires that:

(a) the SISP Advisors, the Monitor, the Applicants, the Lion's Share Representative (as defined in the SISP), the Lender Representative Counsel and the Unsecured Lender Representative Counsel (collectively, the "**Reviewing Parties**") review the LOIs that were received by the LOI Deadline; and

(b) the Reviewing Parties discuss the next steps that should be taken in respect of the Qualified LOIs (as defined in the SISP) received, if any.

13. The Applicants prepared and circulated a without prejudice term sheet following the LOI Deadline with a view to informing the discussions contemplated under the SISP among the Reviewing Parties. Since that time, the Monitor has informed the Applicants that, regardless of whether the D&Os (as defined in the SISP) comply with the confidentiality obligations contemplated thereunder, the Applicants will not be permitted to receive copies of the LOIs or participate as Reviewing Parties in the SISP.

The Investigation

14. Relying on the powers conferred under the ARIO, the Monitor provided the Applicants and the Additional Stay Parties with a significant volume of written informational and documentary requests in connection with the Investigation. The Monitor enumerated a further 185 requests following full-day, voluntary interviews of Mr. Robert Clark, Ms. Aruba Butt, Mr. Ryan Molony and Mr. Dylan Suitor (collectively, "**Management**").

15. Notwithstanding their limited resources, which have been and continue to be severely strained, the Applicants and Management made concerted efforts to address the Monitor's requests and produced numerous written responses and thousands of documents in connection with same, frequently on a confidential basis.

16. On June 11, 2024, the Monitor served its Fourth Report (the "**Report**") in respect of the Investigation and the Brief of Transcripts and Other Documents referred to therein, which together total over 2,200 pages.

17. The Applicants dispute the Monitor's findings in the Report, and have serious concerns regarding both the contents of the Report, and the information omitted from the Report without explanation.

18. The Applicants intend to respond to the Report, and continue to assemble documents and information in response to the Monitor's outstanding requests.

19. The Monitor has acknowledged that the Report may need to be revised following the delivery by the Applicants of documents and information in respect of the findings and conclusions in the Report.

20. Notwithstanding that its findings are disputed and the Applicants' responses and additional information have yet to be delivered and reviewed:

(a) the Secured Lenders filed a motion on June 14, 2024, seeking an order (the "**Expansion of Powers Order**"), among other things, expanding the Monitor's powers, including to exercise the powers of any board of directors or officers of the Applicants to the exclusion of Management, requiring the Applicants' counsel

to take instruction from the Monitor and compelling the non-Applicants, SID Developments, SID Management and SID Renos, to continue to comply with various obligations imposed under the proposed Expansion of Powers Order; and

(b) the Monitor, the Unsecured Lender Representative Counsel, and counsel to the Lion's Share Representative have advised that they will not support an extension of the Stay of Proceedings absent the granting of the proposed Expansion of Powers Order.

Extending the Stay of Proceedings

21. The Stay of Proceedings will expire on June 24, 2024. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay of Proceedings to and including July 8, 2024 (the "**Stay Period**").

22. Since the granting of the SISP Approval Order, the Applicants have acted, and continue to act, in good faith and with due diligence to, among other things:

(a) continue the Business' ordinary course operations;

(b) respond to extensive information requests made by the Lenders, both directly and through the Monitor;

(c) cooperate in, and respond to, extensive inquiries made by the Monitor and its counsel in connection with the Investigation and otherwise; and

(d) engage extensively with the Monitor and the SISP Advisors with respect to the SISP and respond to inquiries made by Potential Bidders through the Monitor therein.

23. The proposed extension of the Stay of Proceedings will, among other things, preserve the *status quo* and afford the Applicants the breathing space and stability required to, among other things:

(a) operate the Business in the ordinary course;

(b) respond to the Report and engage with the Monitor in addressing the disputed findings and dispelling the concerns raised therein;

(c) avoid uncoordinated and distressed sales or forced liquidations of the Properties, which would be value destructive and contrary to the best interests of the Applicants' stakeholders;

(d) continue to complete value accretive renovations, dozens of which are in progress;

(e) allow the Monitor, with the assistance of the SISP Advisors, to continue to conduct the SISP; and

(f) respond to the Secured Lenders' request for the proposed Expansion of Powers Order.

24. The Applicants are forecast to have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through the end of the Stay Period.

25. No creditor is expected to suffer material prejudice as a result of the proposed extension of the Stay of Proceedings, especially given that:

(a) the Monitor has, pursuant to the Consent Requirement, exclusive authority to control the payments to be made, and liabilities to be incurred, by the Applicants during the Stay Period;

(b) the Monitor has held, and continues to hold, the proceeds of the DIP Facility disbursed to the Applicants in trust; and

(c) the Monitor has and continues to have access to the Applicants' bank accounts.

Extending the Stay of Proceedings in Respect of the Additional Stay Parties

26. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the temporary stay of the Related Claims to prevent enforcement action from being commenced or continued against the Additional Stay Parties or the Additional Stay Parties' Property during the Stay Period.

27. In extending the temporary stay of proceedings in favour of the Additional Stay Parties and the Additional Stay Parties' Property, nothing in the proposed Stay Extension Order purports to release, compromise or permanently enjoin the Related Claims. Further, pursuant to the Second ARIO, 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 will continue to be tolled during the Stay Period.

28. The Additional Stay Parties' participation in responding to any Related Claims would severely strain the Applicants' limited resources and those of their Directors, imperiling the

Applicants' restructuring efforts and the success of these CCAA proceedings. The failure of these CCAA proceedings, and the concomitant distressed sale of the Properties, would be detrimental to the Applicants' stakeholders, including the Lenders and the Applicants' tenants.

29. The potential prejudice, if any, to certain of the Lenders that may result from a temporary stay of proceedings in favour of the Additional Stay Parties or against or in respect of any of the Additional Stay Parties' Property with respect to the Related Claims, when measured against the substantial benefits of imposing such a stay, is minimal.

Other Grounds

30. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.

31. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended and section 106 of the *Courts of Justice Act*, R.S.O. 190, c. C. 43, as amended.

32. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

33. The Affidavit of Robert Clark, to be filed, and the exhibits thereto.

34. The Fifth Report and the appendices thereto.

35. Such further and other material as counsel may advise and this Honourable Court may permit.

June 17, 2024

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Lawyers for the Applicants

TO: THE SERVICE 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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable June 24, 2024)

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TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.

Applicants

AFFIDAVIT OF ROBERT CLARK
(June 20, 2024)

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

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Applicants

AFFIDAVIT OF ROBERT CLARK
(Sworn June 20, 2024)

I, Robert Clark, of the city of Burlington, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the President and a director of SIDRWC Inc. o/a SID Developments ("**SID Developments**") and SID Management Inc. ("**SID Management**"), which, together with 2707793 Ontario Inc. o/a SID Renos ("**SID Renos**"), provide acquisition, distribution, renovation and management services to 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 such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in response to the motion of the Secured Lenders for the Expansion of Powers Order (each as defined below) and in support of a motion by the Applicants for an order (the "**Stay Extension Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

(a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;

(b) extending the Stay of Proceedings (as defined below) to and including July 8, 2024;

(c) extending the date by which the Monitor (as defined below) is required to serve and file any motion for advice and directions pursuant to section 21 of the SISP (as defined below) to and including July 31, 2024; and

(d) sealing Confidential Appendix "1" to the Fifth Report of the Monitor dated June 17, 2024 (the "**Fifth Report**").

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants, SID Developments, SID Management and SID Renos do not waive or intend to waive any applicable privilege by any statement herein.

I. OVERVIEW

4. The Applicants are Canadian privately-held corporations that, together with certain affiliate corporations that are not Applicants in these CCAA proceedings and SID Developments, SID Renos and SID Management, are part of a group of companies (collectively, the "**Company**") specializing in the acquisition, renovation and leasing of distressed residential real estate in

undervalued markets throughout Ontario (the "**Business**"). Since inception, the Company has acquired, renovated, leased and/or sold over 800 underutilized and strategically located properties in Ontario, that provide in aggregate over 1200 rental units.

5. The Applicants are the principal owners of the Company's rental units and the residential properties on which they are situated. Collectively, the Applicants currently own 406 residential properties (collectively, the "**Properties**") containing 631 rental units, the majority of which are tenanted, as well as a single non-operating 200-acre golf course, 40 acres of which are zoned for development.

6. The Properties are located in secondary and tertiary markets in Ontario with lower average costs of living, including Timmins, Sault Ste. Marie, Sudbury, Kirkland Lake, Capreol, Temiskaming Shores and Val Caron. The acquisition and renovation of the Properties and the costs related thereto were financed through (i) first mortgage loans (collectively, the "**First Mortgage Loans**") and second mortgage loans (collectively, the "**Second Mortgage Loans**") provided predominantly by numerous individual real estate investors sourced primarily by The Windrose Group Inc. ("**Windrose**"), and (ii) unsecured promissory notes (collectively, the "**Promissory Notes**") issued in favour of The Lion's Share Group Inc. ("**Lion's Share**") and various individual real estate investors.

7. Notwithstanding the Applicants' concerted efforts to obtain a comprehensive refinancing solution, including receiving a $70 million letter of intent on October 5, 2023, raise additional short-term financing and/or sell certain of the Properties, the Applicants recently faced a severe liquidity crisis driven, in part, by the Applicants' significant interest obligations and unrenovated Properties. Indeed, as of January 23, 2024, the Applicants had less than $100,000 of cash on hand,

were in default of substantially all of the First Mortgage Loans, Second Mortgage Loans and Promissory Notes, and were generally unable to meet their obligations as they became due.

8. Following careful review and consideration of their financial circumstances and available alternatives, and the devasting effects of a bankruptcy, liquidation or uncoordinated enforcement efforts, the Applicants determined that the commencement of these CCAA proceedings was in the best interests of the Applicants and their stakeholders, including their over 300 secured and unsecured lenders (collectively, the "**Lenders**" and each, a "**Lender**") and approximately 1,000 tenants. Accordingly, the Applicants sought and, on January 23, 2024, obtained an initial order (the "**Initial Order**") under the CCAA.

9. Among other things, the Initial Order:

(a) appointed KSV Restructuring Inc. as the Monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**");

(b) stayed, until February 2, 2024 (the "**Initial Stay Period**"), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and officers, or affecting the Business or the Applicants' Property (as defined below), except with the prior written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

(c) stayed, for the Initial Stay Period, all proceedings against or in respect of Aruba Butt ("**Ms. Butt**"), Dylan Suitor ("**Mr. Suitor**") and/or Ryan Molony (collectively with Ms. Butt and Mr. Suitor, 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 the Court;

(d) appointed Chaitons LLP as representative counsel (in such capacity, the "**Lender Representative Counsel**") for all of the Lenders in these CCAA 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 the Court (collectively, the "**Insolvency Proceedings**"); and

(e) granted the Administration Charge over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Applicants' Property**").

10. Copies of the Initial Order and the accompanying endorsement of the Honourable Madam Justice Kimmel dated January 23, 2024, are attached hereto as **Exhibits "A"** and **"B"**, respectively. Additional information regarding the Applicants' financial circumstances, liquidity crisis and need for relief under the CCAA are set out in the affidavits that I previously swore on January 23, 2024 (the "**First Clark Affidavit**") and January 28, 2024 (together with the First Clark Affidavit, the "**Clark Affidavits**"). Such details are not repeated herein. Copies of the other

materials filed in these CCAA proceedings are available on the Monitor's website at: https://www.ksvadvisory.com/experience/case/sid.

11. These CCAA proceedings were commenced to provide the Applicants with the stability and liquidity necessary to preserve the Applicants' Property, complete value accretive renovations on their incomplete Properties and, with the assistance of a financial advisor, identify a comprehensive refinancing and/or restructuring transaction capable of underpinning a consensual plan of compromise or arrangement. The available alternatives to these CCAA proceedings – whether it be a bankruptcy, forced liquidation of the Properties at distressed prices or numerous, uncoordinated enforcement proceedings – would have been value destructive and detrimental to the interests of the Applicants and their stakeholders.

12. Despite the Applicants' significant efforts to date to advance matters for the benefit of all stakeholders, these CCAA proceedings have been contentious, unnecessarily protracted and marred by significant delays and procedural quandaries caused by the Secured Lender Representatives (as defined in the Second ARIO (as defined below)), as well as certain other Lenders. This includes the Secured Lender Representatives' insistence upon the months-long Investigation (as defined below) conducted by the Monitor, the results of which were released for the first time on June 11, 2024 in the Monitor's 92 page Investigative Report (as defined below) and approximately 2,100 page accompanying Brief of Transcripts and Other Documents (the "**Brief**").

13. In the Investigative Report, the Monitor purports to have "serious concerns" in respect of the transactions and business practices of the Applicants, the Additional Stay Parties and non-Applicant affiliate companies. However, the Monitor also expressly acknowledges that the

Investigative Report may need to be revised following the Applicants' delivery of documents and information in respect of the findings and conclusions in the Investigative Report.

14. The Applicants vigorously dispute the Monitor's findings in the Investigative Report, and have serious concerns regarding both the contents of the Investigative Report, and the information omitted from the Investigative Report without explanation. Recognizing the Investigative Report's acknowledgement that certain information requests remain outstanding, which if provided, may necessitate revision to the Investigative Report, the Applicants have prepared a response to the Investigative Report in the limited time afforded to them, among other things:

(a) identifying and describing in detail more than 30 non-exhaustive issues, both general and specific, with the Investigative Report;

(b) referring to supporting evidence where applicable, which in many cases included documents previously provided to the Monitor and answers given during the voluntary interviews conducted by the Monitor; and

(c) requesting that the Monitor revise or supplement the Investigative Report to address the issues raised by the letter.

15. Contemporaneously with preparing the response to the Investigative Report, the Applicants have been forced to respond to the Secured Lenders' motion for an order (the "**Expansion of Powers Order**"), among other things, expanding the Monitor's powers and compelling SID Developments, SID Management and SID Renos to comply with various obligations. Such motion is premised on the disputed, incomplete and at times, inaccurate or misleading, findings and conclusions within the Investigative Report and accordingly, is premature and without merit.

II. RELIEF SOUGHT IN THESE CCAA PROCEEDINGS TO DATE

16. The relief sought under the Initial Order was limited to that which was reasonably necessary to ensure the continued operation of the Business, preserve the *status quo* during the Initial Stay Period, and prevent an immediate and value destructive liquidation of the Properties. Accordingly, on January 28, 2024, the Applicants filed a motion (the "**Comeback Motion**") for an amended and restated Initial Order (the "**Proposed ARIO**") to extend and expand the limited relief granted under the Initial Order.

17. Balancing the objections of certain of the Applicants' secured Lenders (collectively, the "**Objecting Lenders**") to the Proposed ARIO with the Applicants' critical need for an extension and expansion of the limited relief obtained under the Initial Order, the Court adjourned the Comeback Motion on January 31, 2024, in part, and granted an amended Initial Order (the "**Amended IO**"). Among other things, the Amended IO:

(a) extended the Stay of Proceedings to and including February 16, 2024;

(b) approved the Applicants' ability to borrow under a debtor-in-possession credit facility (the "**DIP Facility**") pursuant to a DIP Agreement dated January 26, 2024 (the "**DIP Agreement**"), between the Applicants and Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**"); and

(c) granted a charge over the Applicants' Property up to the maximum amount of $4,000,000 in favour of the DIP Lender to secure all amounts advanced by the DIP Lender under the DIP Facility, together with all obligations, fees, expenses and

other amounts payable by the Applicants under the DIP Agreement and the DIP Facility (the "**DIP Lender's Charge**").

18. On February 15, 2024, the Applicants sought and obtained an amended and restated Initial Order (the "**ARIO**"), which, among other things:

(a) extended the Stay of Proceedings to and including March 28, 2024;

(b) increased the Applicants' maximum borrowings under the DIP Facility from $4,000,000 to $12,000,000, and granted a corresponding increase to the DIP Lender's Charge;

(c) narrowed the scope of the Lender Representative Counsel's mandate to the Applicants' secured Lenders (collectively, the "**Secured Lenders**"); and

(d) granted the Monitor certain enhanced powers and oversight, including:

(i) requiring the prior written consent of the Monitor for all payments to be made, and liabilities to be incurred, by the Applicants (the "**Consent Requirement**"); and

(ii) directing and empowering the Monitor to (A) 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 Lender Representatives (as defined in the ARIO) 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 these CCAA proceedings as determined by the Monitor (the "**Investigation**"), and (B) report to the Lender Representatives and the Court on the findings of the Investigation as the Monitor deems necessary and appropriate.

19. On March 28, 2024, the Applicants sought and obtained a second ARIO (the "**Second ARIO**"), which, among other things:

(a) extended the Stay of Proceedings to and including April 30, 2024; and

(b) appointed Goldman Sloan Nash & Harber LLP as representative counsel (in such capacity, the "**Unsecured Lender Representative Counsel**") for all of the unsecured lenders of the Applicants other than (i) The Lion's Share Group Inc. ("**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 (collectively, the "**Unsecured Lenders**"), Claire Drage ("**Ms. Drage**"), in the Insolvency Proceedings.

20. In an effort to identify a value-maximizing refinancing, sale and/or other strategic investment or transaction involving the business, assets and/or equity of the Applicants or any part thereof, the Applicants sought and, on April 12, 2024, obtained an order (the "**SISP Approval Order**"), among other things:

(a) approving a sale, refinancing and investment solicitation process in the form attached as Schedule "A" to the SISP Approval Order (the "**SISP**");

(b) authorizing the Applicants to engage Howards Capital Corp. ("**HCC**") and CBRE Limited ("**CBRE**") as advisors in the SISP (together, the "**SISP Advisors**") pursuant to engagement agreements between the Applicants and HCC, and CBRE and the Applicants, respectively;

(c) authorizing and directing the Applicants, the SISP Advisors and the Monitor to implement the SISP pursuant to the terms thereof, and to perform their respective obligations thereunder; and

(d) extending the Stay of Proceedings to and including June 24, 2024.

21. Since the granting of the SISP Approval Order, the Applicants have, with the assistance of the Monitor, acted in good faith and with due diligence to, among other things:

(a) continue the Business' ordinary course operations, subject to the limitations imposed under the Second ARIO, including the Consent Requirement;

(b) complete value accretive renovations;

(c) respond to numerous information requests made by the Lenders, both directly and through the Monitor;

(d) cooperate with the Monitor and its counsel in the Investigation and respond to numerous requests made therein;

(e) address concerns raised by certain of the Applicants' tenants regarding disruptions caused by the Lenders and/or certain of the Lenders' agents and their intrusion on such tenants' leased Properties;

(f) engage extensively with the Monitor and the SISP Advisors with respect to the SISP and respond to inquiries made by Potential Bidders through the Monitor therein;

(g) coordinate the preparation of a comparative market analysis, in consultation with the Monitor, illustrating that the Applicants' portfolio of Properties has an aggregate value of approximately $136.9 million; and

(h) prepare, discuss and circulate the Term Sheet (as defined below) and the Applicants' internally prepared reconciliation of their unsecured indebtedness, which indicates that the aggregate principal amount of such indebtedness is limited to approximately $22.06 million (and not $54.2 million as reflected in the records provided by Windrose and Lion's Share), to the Monitor, the Unsecured Lender Representative Counsel, counsel to the Lion's Share Receiver (as defined below) and counsel to the unsecured committee appointed in the Lion's Share's receivership proceedings.

III. CHALLENGES IN THESE CCAA PROCEEDINGS

22. As described above, these CCAA proceedings were commenced to provide the Applicants with the stability and liquidity necessary to preserve the Applicants' Property, complete value accretive renovations on their incomplete Properties and, with the assistance of a financial advisor, identify a comprehensive refinancing and/or restructuring transaction capable of underpinning a consensual plan of compromise or arrangement. The available alternatives to these CCAA proceedings – whether it be a bankruptcy, forced liquidation of the Properties at distressed prices

or numerous, uncoordinated enforcement proceedings – would have been value destructive and detrimental to the interests of the Applicants and their stakeholders.

23. Despite the Applicants' significant efforts to date to advance matters for the benefit of all stakeholders, these CCAA proceedings have been contentious and unnecessarily protracted and the Applicants' refinancing efforts, stymied. Various developments and challenges faced by the Applicants in achieving a value-maximizing solution, certain of which were previously unreported, are discussed in more detail below.

A. Issues with the Applicants' Lenders

24. The realization of the Applicants' laudable restructuring objectives has been hampered by the significant delays and procedural quandaries caused by the Lender Representatives, as well as certain other Lenders. In particular, such parties have opposed and frustrated various of the Applicants' proposed steps and good faith efforts to find constructive solutions in these CCAA proceedings, often with little to no explanation provided for the basis of their position. This has included:

(a) *Opposition to the Proposed ARIO*: an approximately two-week delay was caused by the Objecting Lenders' opposition to the Proposed ARIO, which objection was ultimately resolved with the Applicants' agreement to support a revision to the scope of the Lender Representative Counsel's mandate and various revisions to the terms of the ARIO, including the Consent Requirement and the Applicants' consent to the Investigation. The Applicants consented to the Investigation (and as described below, voluntarily cooperated therewith) in a good-faith effort to address the concerns raised by the Objecting Lenders with the impression that their value

accretive renovation efforts could proceed as intended under the Monitor's oversight, and were subsequently advised that the Secured Lenders would not support the retention of estate funded, independent counsel for the Additional Stay Parties in respect of the Investigation;

(b) *Opposition to Financial Advisor:* the Lender Representatives originally opposed the appointment of HCC as financial advisor, which appointment was first contemplated under the Proposed ARIO and deferred by the Applicants to allay the Secured Lenders' concerns and the Lender Representatives' expressed opposition to HCC's appointment. As described in more detail below, notwithstanding this opposition in advance of the Proposed ARIO and later opposition in advance of the SISP, the Lender Representatives' ultimately consented to HCC's retention as a SISP Advisor;

(c) *Threatened opposition to the SISP*: in response to the Applicants' SISP proposal (which included the retention of HCC as SISP Advisor) the Secured Lender Representatives expressed an urgent need for a SISP, and asserted that they would bring a cross-motion for a SISP led by the Monitor, in consultation with any financial advisor it may choose to retain, on or before April 12, 2024. Continuing to be responsive to stakeholder concerns and cognizant of the value-destructive risks associated with hastily initiating a SISP in respect of the incomplete and unstable portfolio of Properties, the Applicants brought the motion for the SISP Approval Order in an effort to preserve the status quo and facilitate the expedient implementation of the SISP. Notwithstanding the initial opposition, the SISP Approval Order, including the appointment of HCC, was ultimately consented to

by the Lender Representative Counsel on behalf of the Lender Representatives and the Secured Lenders; and

(d) *Change in position on Claims Procedure Order*: the Lender Representative Counsel repeatedly pressured the Applicants to incur the costs of preparing an order providing for a process to determine claims against the Applicants (the "**Claims Procedure Order**") and related materials before ultimately declining to provide comments on the Claims Procedure Order and flip-flopping on its position to say that it was premature to seek the Claims Procedure Order. Specifically, on March 6, 2024, counsel to the Applicants communicated to the Monitor and to the Lender Representative Counsel that the Applicants intended to seek a Claims Procedure Order on May 15, 2024. I understand that the Lender Representative Counsel responded at that time to express concern with the "delay" and to encourage that the process be expedited. I also understand that Lender Representative Counsel followed up on the progress on the Claims Procedure Order, and specifically requested an opportunity to review and provide feedback, several times in the month of April. I understand that counsel to the Applicants first provided a draft of the Claims Procedure Order to the Monitor, incorporated comments from the Monitor, and presented a form of the Claims Procedure Order that the Monitor was prepared to support to the Lender Representative Counsel on May 8, 2024. Nine days later, on May 17, 2024, I understand that the Lender Representative Counsel communicated that it had discussed "high level" comments with the Monitor and did not elaborate on these comments further. No comments have been provided by the Lender Representative Counsel on the proposed Claims Procedure Order to

date, and it was later communicated (indirectly through the Monitor) that the Lender Representative Counsel was taking the position that the Claims Procedure Order should not be sought in the near term. I am not aware of any explanation having been provided by the Lender Representative Counsel for its sudden change in position regarding the Claims Procedure Order. The sudden change in position is notable given the Applicants' repeatedly stated concerns, which have not been addressed, regarding overstated amounts owing to the Unsecured Lenders that would have been addressed by the proposed Claims Procedure Order.

25. In addition to taking issue in the first instance with nearly every material piece of relief sought by the Applicants in these CCAA proceedings, the Lender Representatives, the Lender Representative Counsel, and/or the Secured Lenders have at various times impeded the Applicants restructuring efforts through:

(a) the Lender Representatives submitting the "letter of intent" attached hereto as **Exhibit "C"** on February 23, 2024, without the knowledge of the Unsecured Lenders, that would see the Properties sold to a purchaser to be owned by certain of the Secured Lenders and the Unsecured Lenders (excluding the Applicants' largest Unsecured Lender), for a purchase price intended to reflect (i) the principal amount advanced under the Applicants' first mortgage loans and second mortgage loans, and (ii) 5% of the principal advanced under the Applicants' unsecured Promissory Notes (the "**Secured Lender LOI**");

(b) the frequent dissemination by the Lender Representatives and others of false, misleading and/or disparaging information concerning the Applicants, the

Business, the Property, and the Applicants' principals at "town hall" style meetings of Secured Lenders, and the urging of Secured Lenders to support a transaction that would have devastating results for the Unsecured Lenders;

(c) the numerous requests made of the Applicants and the Additional Stay Parties by the Secured Lenders and the Lender Representatives, through the Monitor, which requests have been and continue to be answered by the Applicants;

(d) the Lender Representatives' insistence upon the Investigation, numerous consultation rights and the Consent Requirement, necessitating the Monitor's prior consent to the making of *any* payments or incurrence of *any* liability, including in respect of *any* draw under the DIP Facility, and renovation-related expenses and *any* other ordinary course expenses;

(e) making repeated visits to tenanted Properties, including making disparaging remarks about the Applicants, the Business, the Property, and the Applicants' principals to the tenants at such Properties, notwithstanding the Applicants and the Monitor's repeated requests that Secured Lenders refrain from such actions; and

(f) the limitations imposed by the Lender Representatives in advancing the Applicants' value accretive renovations, the funds for which were not received by the Applicants from the Monitor until February 26, 2024 (in the approximate amount of $135,958, of which $65,000 was allocated to post-filing renovation expenses), March 11, 2024 (in the approximate amount of $245,036, of which $185,000 was allocated to post-filing renovation expenses), March 26, 2024 (in the approximate amount of $310,039, of which $250,000 was allocated to post-filing renovation

expenses), April 24, 2024 (in the approximate amount of $250,000, of which $213,003 was allocated to post-filing renovation expenses) and June 6, 2024 (in the approximate amount of $35,000).[1]

26. The Applicants have at all times made good faith efforts to engage with the Lender Representatives and the Secured Lenders (as they have with all stakeholders in these CCAA proceedings), and in an effort to identify constructive solutions, have not reported many of the foregoing challenges to the Court. However, given the recent motion brought by the Secured Lenders, I feel it is now necessary for the Court to have the background provided above for context on the challenges that the Lender Representatives, and certain other Secured Lenders have caused.

B. Concerns with the Involvement of Matthew Tatomir

27. The Applicants are troubled by the involvement of one of the Lender Representatives in these CCAA proceedings in particular, Matthew Tatomir ("**Mr. Tatomir**"). As a preliminary matter, the Applicants have expressed concerns to the Monitor as to whether Mr. Tatomir was a Secured Lender at the commencement of these CCAA proceedings eligible to act as a Lender Representative. Mr. Tatomir has purported to be a director of 1000027984 Ontario Limited. However, responding materials in opposition to the Applicants' Comeback Motion for the Proposed ARIO filed by George Street Law Group on behalf of Patty Vanminnen and 1000027984 Ontario Limited made no reference to Mr. Tatomir's involvement with 1000027984 Ontario Limited, and corporate profile searches conducted by the Applicants reveal that Mr. Tatomir was not registered as a director or officer as of May 6, 2024. As of June 18, 2024, Mr. Tatomir has still

[1] The balance of each such amount was utilized to pay arrears owing to critical trades, with the prior consent of the Monitor.

not been registered as a director on 1000027984 Ontario Limited's corporate profile. The most recent corporate profile search is attached hereto as **Exhibit "D"**.

28. The Applicants wrote to the Monitor on May 8, 2024, to advise the Monitor of these concerns (the "**May 8 Letter**"). As set out in more detail therein, the Applicants also noted that Mr. Tatomir was (i) a Lender Representative at the time the Secured Lender LOI was submitted; and (ii) was particularly active at the lender town halls in disseminating misleading information about the Applicants and promoting a transaction that would be devastating to the Unsecured Lenders. Given these issues, the Applicants requested the Monitor make inquiries as to whether Mr. Tatomir was currently a Secured Lender, and if so, precisely when Mr. Tatomir became a Secured Lender. A copy of the May 8 Letter is attached hereto as **Exhibit "E"**.

29. The Applicants believe that Mr. Tatomir was one of the main proponents of the Secured Lender LOI, along with Cameron Topp ("**Mr. Topp**"), who resigned as a Lender Representative shortly before the SISP was approved. I am concerned that Mr. Topp may be working with Mr. Tatomir to advance Mr. Tatomir's agenda at the expense of the Applicants' stakeholders. I note that Mr. Topp submitted an NDA to the Applicants in connection with the SISP, which the Applicants did not countersign and for which Mr. Topp provided no explanation despite being asked for one by the Monitor.

30. On May 16, 2024, the Monitor provided the Applicants with (i) a Consent to Act, (ii) Resolutions of the Board of Directors and (iii) a Resolution of the Shareholders in respect of 1000027984 Ontario Limited, each of which purported to confirm Mr. Tatomir as a director on February 16, 2023 (the "**Director Documents**"). The Director Documents appeared to be signed electronically, but did not have any metadata indicating the date of their creation or execution. The

Applicants requested a copy of the Director Documents with the metadata included. The Lender Representative Counsel refused to make further inquiries in this regard. Copies of the Director Documents are attached hereto as **Exhibit "F"**.

31. As stated in the May 8 Letter, the Applicants continue to hold the view that Mr. Tatomir's conduct in these CCAA proceedings has been destructive to the Applicants' efforts to find a value-maximizing solution for stakeholders.

IV. RECENT DEVELOPMENTS IN THESE CCAA PROCEEDINGS

A. The Applicants' Ongoing Efforts to Renovate Their Incomplete Properties

32. As discussed in the Clark Affidavits, the Applicants' Business focuses on the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario. It is axiomatic that the real estate acquired in the ordinary course of the Applicants' Business is generally purchased in a state of disrepair and subsequently renovated for the purposes of leasing such property to residential tenants. Unsurprisingly, the Applicants' portfolio of Properties reflected as much prior to the commencement of these CCAA proceedings, at which time approximately 207 of the Applicants' approximately 631 rental units were unrenovated.

33. As described in the Clark Affidavits, the Applicants intended to complete value-accretive renovations on their unrenovated Properties during these CCAA proceedings with the benefit of the additional liquidity offered under the DIP Facility and the stability afforded by the Stay of Proceedings. The cash flow analysis attached to the First Report of the Monitor dated January 29, 2024 contemplated that $3,000,000 of the DIP Facility would be used for renovations by the period

ended March 28, 2024.[2] As a result of the adjournment of the Applicants' comeback motion and the limitations imposed on their use of the DIP Facility under the ARIO, the Applicants did not have access to funds to commence their intended renovations until February 26, 2024. At that time, only $65,000 was allocated to the Applicants' approved value-accretive renovations. To date, only approximately $748,502.86 of the DIP Facility has been provided to the Applicants for renovations.[3] The remainder of the renovations have been funded by the Applicants' rental revenue.

34. Despite the significant delay in commencing the Applicants' value-accretive renovations and the administrative challenges resulting from the Consent Requirement under the Second ARIO, the Applicants have renovated approximately 90 units to date – approximately half of the units that could have been completed but for these delays and challenges – and currently have approximately 27 active units. Moreover, since the granting of the SISP Approval Order, the Applicants have:

(a) completed the renovation of approximately 63 units, and given the opportunity, could complete the renovation of all remaining units by the end of August, 2024; and

(b) developed, and sought the Monitor's approval of, a fifth scope of work to complete the renovation of approximately 39 additional units, of which only 27 were approved.

[2] The DIP Agreement contemplates that approximately $4.1 million of the proceeds of the DIP Facility will be utilized to fund the Applicants' intended renovations.

[3] The Applicants note that the funds utilized in the Applicants' renovations to date were not received by the Applicants until February 26, 2024 (in the approximate amount of $135,958, of which $65,000 was allocated to post-filing renovation expenses), March 11, 2024 (in the approximate amount of $245,036, of which $185,000 was allocated to post-filing renovation expenses), March 26, 2024 (in the approximate amount of $310,039, of which $250,000 was allocated to post-filing renovation expenses), April 24, 2024 (in the approximate amount of $250,000, of which $213,003 was allocated to post-filing renovation expenses) and June 6, 2024 (in the approximate amount of $35,000). The balance of each such amount was utilized to pay arrears owing to critical trades, with the prior consent of the Monitor.

B. Update on the SISP

35. The Applicants obtained the SISP Approval Order on April 12, 2024. The material terms of the SISP were described in detail in the affidavit that I previously swore in these CCAA proceedings on April 8, 2024 and are not repeated herein. Copies of the SISP Approval Order and the accompanying endorsement of the Honourable Justice Cavanagh dated April 12, 2024, are attached hereto as **Exhibits "G"** and **"H"**, respectively.

36. The SISP was developed by the Monitor in consultation with the Applicants, the SISP Advisors, the Lender Representative Counsel, the Unsecured Lender Representative Counsel and Fuller Landau Group Inc., in its capacity as the Court-appointed receiver of Lion's Share (in such capacity, the "**Lion's Share Receiver**"). The SISP contemplates a two-stage process. The first phase of the SISP ("**Phase 1**") requires the submission of non-binding letters of intent ("**LOIs**" and each, an "**LOI**") by Potential Bidders. The second phase of the SISP ("**Phase 2**") requires the submission of binding offers in accordance with terms to be informed by, and determined and communicated to the applicable interested parties following, the completion of Phase 1.

37. In accordance with the terms of the SISP, the SISP Advisors each prepared and delivered to the Monitor a list of Known Potential Bidders (as defined in the SISP) on or before April 26, 2024. Each of the SISP Advisors also commenced the solicitation process with respect to all Known Potential Bidders on or before April 29, 2024, as required by the SISP. All Known Potential Bidders that have entered into NDAs in form and substance satisfactory to the Applicants and the Monitor were provided with a confidential information memorandum in respect of the Opportunity and access to a confidential virtual data room containing diligence information in respect of the Opportunity.

38. Pursuant to the SISP, LOIs were required to be received by the Monitor by no later than 5:00 p.m. (Toronto time) on June 10, 2024 (the "**LOI Deadline**"). Each such LOI must comply with the criteria prescribed by the SISP to constitute a Qualified LOI (as defined in the SISP). As set out in the Fifth Report, multiple LOIs were submitted prior to the LOI Deadline, including:

(a) 452 LOIs received from first or second mortgagees that propose to credit bid for their respective mortgaged properties;

(b) four LOIs that contemplate a refinancing of certain of the Applicants' funded indebtedness; and

(c) eight LOIs that contemplate a purchase of certain or all of the Properties.

39. Subject to certain safeguards intended to protect its integrity, the SISP requires that the Monitor, the SISP Advisors, the Applicants, the Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Receiver (collectively, the "**Reviewing Parties**") review the LOIs received by the LOI Deadline. Following their consideration of the Qualified LOIs received, the SISP requires that the Reviewing Parties discuss the immediate next steps to be taken in respect of such Qualified LOIs. Pursuant to the SISP, these steps may include, among other things:

(a) pursuing refinancing, sale or hybrid components of any Qualified LOI or collection of Qualified LOIs, including a recombination or reconstitution of subsets of the Applicants' Property;

(b) coordinating the aggregation of certain or all of the Qualified Bids;

(c) remarketing certain or all of the Applicants' Property;

(d) engaging one or more local real estate agents or brokerages to assist in marketing and selling certain or all of the Applicants' Property;

(e) the parameters that will govern the submission of binding offers in Phase 2 of the SISP; and

(f) any auction procedures to be implemented in connection with Phase 2 of the SISP.

40. Provided that the Reviewing Parties agree upon the parameters to govern Phase 2 of the SISP, such parameters are to be communicated to the Potential Bidders that submitted Qualified Bids by the SISP Advisors in binding process letters. If the Reviewing Parties are unable to agree upon whether the SISP should proceed to Phase 2 or the parameters to govern Phase 2, the SISP requires the Monitor to bring a motion for advice and directions within 14 days following the LOI Deadline unless the Monitor and the Applicants consent otherwise after consultation with the Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Receiver.

41. With a view to informing the discussions contemplated under the SISP among the Reviewing Parties, the Applicants prepared and circulated a without prejudice term sheet following the LOI Deadline (the "**Term Sheet**"), together with accompanying presentation decks. As described in more detail therein, the Term Sheet principally provided the high-level terms for three frameworks around which a value-maximizing exit from these CCAA proceedings could be structured following an amalgamation of the Applicants or the incorporation of a new parent company (in either case, "**NewCo**"):

(a) *First* – (i) reinstating the DIP Facility as a super-senior secured facility, (ii) implementing an orderly realization process in respect of the Properties to be conducted over approximately two years (the "**Realization Process**"), (iii) reinstating the Applicants' secured and unsecured indebtedness on the terms set out in the Term Sheet, and (iv) utilizing the proceeds of the Realization Process, together with NewCo's net cash flow, to fund periodic distributions to NewCo's creditors in the manner and priority contemplated under the Term Sheet;

(b) *Second* – (i) obtaining a new super-senior secured facility in the approximate amount of $15-20 million, the proceeds of which would be utilized to repay the DIP Facility, make an initial distribution to the Secured Lenders and fund certain of NewCo's operating costs, (ii) reinstating the Applicants' secured and unsecured indebtedness on the terms set out in the Term Sheet, (iii) implementing the Realization Process, and (iv) utilizing the proceeds of the Realization Process, together with the NewCo's net cash flow, to fund periodic distributions to NewCo's creditors in the manner and priority contemplated under the Term Sheet; and

(c) *Third* – (i) obtaining a new super-senior secured facility in the approximate amount of $50 million, the proceeds of which would be utilized to repay the DIP Facility, and make an initial distribution to the Secured Lenders and fund certain of NewCo's operating costs, (ii) reinstating the Applicants' secured and unsecured indebtedness on the terms set out in the Term Sheet, (iii) implementing the Realization Process, and (iv) utilizing the proceeds of the Realization Process, together with the NewCo's net cash flow, to fund periodic distributions to NewCo's creditors in the manner and priority contemplated under the Term Sheet.

42. Each of the foregoing frameworks contemplates the implementation of a new board of directors of NewCo, comprised of three Secured Lenders holding First Mortgage Loans, one Secured Lender holding a Second Mortgage Loan, two Unsecured Lenders and one of the Additional Stay Parties' appointees. Further, each contemplates the *pro rata* distribution of 70% of the common equity of NewCo to the Secured Lenders and 30% of the common equity of NewCo to the Unsecured Lenders, in each case, up to a valuation of $140 million.[4]

43. Copies of a proposed cash flow forecast and comparative market analysis illustrating that the Applicants' portfolio of Properties has an aggregate value of approximately $136.9 million, each of which were reviewed by the Monitor, were also provided to the Unsecured Lender Representative Counsel, counsel to the Lion's Share Receiver and counsel to the unsecured committee appointed in the Lion's Share's receivership proceedings. Importantly, none of the frameworks under the Term Sheet or their supporting cash flow forecast:

(a) require that an LOI materialize in the SISP capable of refinancing the entirety of the Applicants' funded indebtedness or that contemplates the acquisition of the Properties in whole or in part;

(b) provide the Additional Stay Parties with the right to appoint additional directors to the board of directors of NewCo until the Applicants' indebtedness is repaid in full; or

(c) provide the Additional Stay Parties with a right to participate in the equity of NewCo until the valuation exceeds $140 million.

[4] Provided that the Applicants' existing debt would be reconciled by the Applicants, with the Monitor's assistance.

44. Following the Term Sheet's circulation, the Monitor informed the Applicants that, regardless of whether the D&Os (as defined in the SISP) comply with the confidentiality obligations contemplated thereunder, the Applicants will not be permitted to receive copies of the LOIs or participate as Reviewing Parties in the SISP. The basis for the Applicants' exclusion as stated in the Fifth Report is that the Monitor exercised its discretion to "take protective measures to [...] safeguard the integrity of the SISP". To date, the Monitor has not provided a cogent explanation as to why the Applicants' receipt of LOIs or consultation in respect of such LOIs or Phase 2 would imperil the integrity of the SISP.

45. As indicated with the Motion Record of the Monitor dated June 17, 2024, the Monitor is now seeking an order, among other things:

(a) extending the date by which the Monitor is required to serve and file any motion for advice and directions pursuant to section 21 of the SISP to and including July 31, 2024; and

(b) sealing Confidential Appendix "1" to the Fifth Report.

46. As described in the Fifth Report, Confidential Appendix "1" contains a summary of the LOIs submitted by the LOI Deadline (the "**LOI Summary**"). The Applicants agree that the LOI Summary should be sealed to preserve the integrity of the SISP and the likelihood that a value-maximizing solution will materialize therein. The Applicants similarly agree that, in the circumstances, additional time is required for the Reviewing Parties to review the LOIs and discuss the immediate next steps to be taken in respect of any Qualified LOIs. The Applicants would expect that, subject to the outcome of the within motion and the findings in the Fourth Report, the Monitor will revisit its determination to exclude the Applicants from the SISP.

V. THE MONITOR'S INVESTIGATIVE REPORT[5]

A. The Monitor's Investigation

47. In March and April 2024, relying on the powers conferred under the ARIO, the Monitor provided the Applicants, myself and the Additional Stay Parties with voluminous written informational and documentary requests in connection with the Investigation.

48. At the time, as the Monitor is aware, the Applicants, myself, and the Additional Stay Parties had limited resources, which were severely strained as each strived to, among other things, balance the day-to-day management of the Business, respond to extensive daily inquiries and address material issues in these CCAA proceedings. This has continued to be true up to and including the date of the swearing of this affidavit.

49. Notwithstanding the foregoing, the Additional Stay Parties and I (together, the "**Principals**") made concerted efforts to address the Monitor's requests and produced numerous written responses and documents on a confidential basis. Copies of the Monitor's requests and the Applicants' corresponding responses for March and April 2024 are included in the Brief.

50. In a further good faith effort to assist with the Investigation, in April 2024, the Principals agreed to participate in voluntary interviews under oath to be conducted by the Monitor's counsel.

51. In connection with the interviews, the Monitor decline to provide advance notice of: (i) any allegations of wrongdoing by the Applicants or the Principals; and (ii) topics that would be

[5] Following productive discussions with the Monitor and its counsel, the Applicants have agreed to the public disclosure of certain previously redacted information. Accordingly, such information is not redacted herein.

addressed during the interviews. Both of these decisions hindered the ability of the Principals to respond effectively at and following the interviews.

52. The interviews of the Principals concluded on May 6, 2024. Based on my review of the transcripts of the interviews, the Monitor asked questions relating to the specifics of dozens (if not hundreds) of individual transactions involving $1,000 or more from many years ago. The Principals were unable to answer a significant number of these questions, resulting in almost 200 follow-up requests by the Monitor.

53. On May 13, 2024, counsel for the Applicants delivered a letter (the "**May 13 Letter**") to the Monitor advising that the Applicants were in the process of preparing responses to these requests and that responses would be provided on a rolling basis. In the May 13 Letter, counsel for the Applicants also advised that: (i) the significant number of requests was in part the result of the Monitor's refusal to provide advance notice of the topics to be addressed on the interviews; and (ii) the requests could have been provided in writing in advance of the interviews. A copy of the May 13 Letter is included in the Brief.

54. Notwithstanding the continued restraints on the resources of the Applicants, the Applicants responded to a significant number of the Monitor's requests, and in doing so, produced thousands of documents. Copies of the response letters and responses from counsel for the Monitor are included in the Brief.

55. In its final response letter dated June 10, 2024 before the Monitor ultimately delivered its investigative Report (the "**Investigative Report**"), counsel for the Applicants wrote: "[a]s we advised in our May 13 letter and May 28 Letter, the Applicants and Management continue to

assemble documents and information in connection with other Requests made, as appropriate, and intend to provide further responses in due course."

B. The Monitor's Investigative Report and the Scheduling of the Motions

56. Prior to the issuance of the Investigative Report, counsel for the Applicants requested that the Applicants and the Additional Stay Parties be provided with an opportunity to review a draft of the Investigative Report. The Monitor refused. Copies of the letters exchanged on this issue are included in the Brief.

57. Ultimately, on June 11, 2024, one day after the Applicants had most recently advised that they continued to assemble documents and information in connection with the Monitor's requests, the Monitor delivered the Investigative Report, as well as the Brief referred to therein, which together total over 2,200 pages. A copy of the covering email to the service list is attached as **Exhibit "I"**.

58. In the Investigative Report, the Monitor purports to have "serious concerns" in respect of the transactions and business practices of the Applicants, the Additional Stay Parties and non-Applicant affiliate companies.

59. In the Investigative Report, the Monitor also expressly acknowledges that the Investigative Report may need to be revised following the Applicants' delivery of documents and information in respect of the findings and conclusions in the Investigative Report.

60. On my initial review of the Investigative Report, it was apparent that there are significant issues with the many of the Monitor's conclusions and findings. I was particularly concerned by

the Monitor's apparent failure to disclose information provided to it through documents produced by the Applicants or answers that I (and other of the Principals) provided during my interview.

61. As a result of these issues, the Investigative Report is unbalanced and suggests that the Principals operated the Applicants in a manner that favoured our interests over the interests of the Applicants and its various stakeholders, which was not the case.

62. After discussing the Investigative Report with Ms. Butt and Messrs. Suitor and Molony, I learned that they had similar concerns regarding the contents of the Investigative Report.

63. Accordingly, on June 12, 2024, counsel for the Applicants delivered a letter (the "**June 12 Letter**") to counsel for the Monitor in which it advised that:

> The Applicants vigorously dispute the Monitor's findings in the Report, and have very serious concerns regarding both the contents of the Report, and the information omitted from the Report without explanation. Based upon the Applicants' preliminary review, it appears that the Monitor has either not reviewed, misunderstood, and/or ignored certain of the Applicants' responses, and certain of the thousands of documents provided in response to the Monitor's numerous requests. Instead, the Monitor appears to have reached certain conclusions contrary to or inconsistent with the documents and evidence available to the Monitor. Furthermore, the Report omits salient facts relevant to the commentary and conclusions reached therein, including to misattribute impugned conduct to the Applicants.
>
> As the Report acknowledges, certain information requests remain outstanding, which if provided, may necessitate revision to the Report. The Applicants are preparing a comprehensive response to the Report, including to direct the Monitor's attention to information and documents that have already been provided to the Monitor. Furthermore, and as the Monitor is aware, the Applicants. continue to assemble documents and information in response to the Monitor's outstanding requests. The Applicants' expectation is that the Monitor will consider such documents and information and revise the Report accordingly. [Emphasis Added]

64. A copy of the June 12 Letter is attached hereto as **Exhibit "J"**.

65. In a responding letter dated June 13, 2024 (the "**June 13 Letter**") counsel for the Monitor advised that:

> The Monitor believes its report accurately reflects the facts, banking and other information obtained during the Monitor's investigation. The Monitor continues to be available to address any questions your clients may have concerning the report or to receive any previously unprovided information in response to the Monitor's requests that were made over the past several months. [Emphasis Added]

66. A copy of the June 13 Letter is attached hereto as **Exhibit "K"**.

67. Notwithstanding the Monitor's statement that it remained available to address issues relating to the Investigative Report, at 4:37 p.m. on June 13, 2024, two days after delivering the Investigative Report and on the eve of an appointment before Justice Osborne to schedule the hearing of a motion for the sealing of portions of the Investigative Report and the Brief, the Monitor delivered an aide memoire in which it raised the scheduling of the "motion of the Applicants' secured lender representatives to expand the powers of the Monitor". The aide memoire referred to the Investigative Report and the purported concerns contained therein. I am advised by Joshua Foster ("**Mr. Foster**") of Bennett Jones LLP, counsel for the Applicants, that the Monitor also uploaded a copy of the Investigative Report to CaseLines in connection with the scheduling appointment. A copy of the aide memoire and the covering email are attached hereto as **Exhibits "L"** and **"M"**, respectively.

68. At the scheduling appointment, Justice Osborne scheduled the hearing of the Secured Lenders' motion for the proposed Expansion of Powers Order and the sealing of the Brief for June 24, 2024. A copy of the Honourable Justice Osborne's endorsement dated June 14, 2024 is attached hereto as **Exhibit "N"**.

69. As a result, even though the Monitor had several months to prepare the Investigative Report, the Applicants and the Principals have been provided with approximately a week to review and respond to the Investigative Report. The Investigative Report is 92 pages long, contains over 2,100 pages of enclosures, and includes documents not previously seen or provided to the Applicants, including the transcript of Ms. Drage, which the Monitor relies upon to assert misconduct by the Applicants, notwithstanding that the evidence of Ms. Drage was inconsistent regarding the very points upon which the Monitor seeks to rely. Notably, the Applicants had previously requested that their counsel be permitted to attend and observe the interview of Ms. Drage and/or be provided with a copy of the transcript of Ms. Drage's interview once available to the Monitor. The Monitor refused.

C. The Issues with the Investigative Report

70. On June 19, 2024, counsel for the Applicants delivered a letter (the "**June 19 Letter**") to counsel for the Monitor, which:

(a) identified and described in detail more than 30 non-exhaustive issues, both general and specific, with the Investigative Report;

(b) referred to supporting evidence where applicable, which in many cases included documents previously provided to the Monitor and answers given during the interviews conducted by the Monitor, and also included as new documents provided to the Monitor in conjunction with the June 19 Letter; and

(c) requested that the Monitor revise or supplement the Investigative Report to address the issues raised by the June 19 Letter.

71. A copy of the June 19 Letter is attached hereto as **Exhibit "O"**.

72. Below is a high-level and non-exhaustive summary of the issues identified in the June 19 Letter:

(a) The Monitor makes statements or reaches conclusions that are plainly incorrect and/or contradicted by the documents provided to the Monitor. Certain of these issues are set out as examples below:

(i) The Monitor's statement that "[a]fter deductions from the Total Purchase Price [of the Core Sale] (without reference to the Core Holdback), the total amount disbursed to the Applicants Principals and non-Applicant related companies was "$22,682,895.92" is factually wrong and misleading. The trust ledger previously provided to the Monitor makes clear that the $22,682,895.92 referred to in the Investigative Report is "Disbursements Before Promissory Notes" – such Promissory Notes being, as advised by the Applicants and confirmed in the interview of Ms. Drage, indebtedness owed to the Applicants' then unsecured lenders that was repaid upon the closing of the Core Sale (as defined in the Investigative Report).

(ii) The Monitor's statement that the "Applicants have failed to produce any invoices […] during the course of the Investigation" to substantiate "$2,543,698" in disbursements to SID Renos (the net amount of such disbursements being $1,808,121) is factually wrong and misleading. A summary of SID Renos' invoices in respect of approximately $827,233 in vendor rebates as well as copies of each of the underlying invoices were

provided to the Monitor on May 28, 2024. The remainder of the net disbursements consists of SID Renos' construction management fee (with the Applicants' having completed approximately $13.6 million in renovations since inception), accounting/bookkeeping reimbursements for which receipts totaling approximately $222,180 were provided in the June 19 Letter, and reimbursements for miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time.

(b) The Monitor, without explanation, omits salient information relevant to the commentary and conclusions reached in the Investigative Report, including to misattribute impugned conduct to the Applicants. For example:

(i) The Monitor concludes that the Applicants failed to disclose certain information to the Lenders, including but not limited to information regarding the Applicants' business operations and liquidity issues. However, in reaching this conclusion, the Monitor fails to disclose critical information provided to the Monitor. Namely, that the Applicants generally *did not deal directly with the Lenders*, did not provide marketing materials to the Lenders, were not provided nor reviewed the marketing materials prepared by Windrose/Lion's Share, and until recently, were unaware that Lion's Share (as a lender to the Applicants) had obtained the funds it lent to the Applicants from other individuals.

(ii) The Monitor expresses concerns regarding the payments from the Applicants to SID Management, a full-service residential property

management company, which manages the Properties. In support of these concerns, the Monitor excerpts a summary of the significant deductions taken by SID Management in relation to rent paid by Interlude Inc.'s tenants to Interlude Inc. in January 2024. However, in excerpting this summary, the Monitor fails to disclose that the deductions were specifically applied *in consultation with, and with the approval of*, the Monitor and that the deductions include irregular payments relating to contractors and insurance, including arrears owing, that are not typically paid in this manner, but were paid in this instance in consultation with, and with the approval of, the Monitor. More representative excerpts from Interlude Inc.'s April, March and February partnership statements are collectively attached hereto as **Exhibit "P"**.

(iii) The Monitor's conclusion that the Applicants have failed to provide responses to its requests in a timely manner also ignores, and fails to acknowledge, the fact that: (x) the Applicants have, and continue to try to comply with the Monitor's requests in a timely manner; (y) the Applicants and Principals have limited resources, and as detailed above, have needed to balance these requests with their efforts to deal with issues in these CCAA proceedings; and (z) as recently as June 10, 2024, the Applicants advised that "Applicants and Management continue to assemble documents and information in connection with other requests made, as appropriate" and "any non-response to outstanding Requests in this letter is not, and should

not be construed as […] the Applicants' or Management's refusal to respond to such Requests…".

(iv) The Monitor expresses concerns regarding intercompany transactions involving certain of the Applicants' non-Applicant affiliates that operated within the Business, including those that had access to corporate credit cards that were used to pay for expenses on the Applicants' behalf. The exclusion of such non-Applicant affiliates, within these proceedings was anticipated to be, following review and consideration with the Applicants' advisors, prejudicial to such non-Applicant affiliates and/or the Applicants and their respective stakeholders.

(v) The Monitor's statement that its "understanding of the Investors' expectations" with respect to the Promissory Notes' associations to particular properties "is supported by the general terms of the Promissory Note Agreement(s)" is irreconcilable with the terms of the applicable Promissory Notes. The Applicants did not participate in the drafting of the Promissory Notes issued in favour of lenders sourced by Windrose. The Promissory Notes were prepared by Windrose/Lion's Share. In all or substantially all cases, the reference to a particular property within the Promissory Notes is in respect of the earliest date by which the Promissory Note may become due and the applicable lender's right, if any, to "register" the Promissory Note on title. The latter is not restricted to a single property but "any or all" of the properties held by the applicable borrower. Moreover, though omitted from the Investigative Report, all or substantially all of the

Promissory Notes that resulted in proceeds being directed to the Applicants do not contain any covenants, representations and/or warranties regarding the use of the funds, whether in respect of a particular property or otherwise. In any case, no meaningful distinction is made between the funds lent to the Applicants and the Applicants' rental revenue when asserting that the Applicants had a "practice of cycling borrowed funds amongst themselves (and also among non-Applicant entities)".

(c) The Monitor, without explanation, ignores, or refuses to accept, objectively reasonable explanations provided by the Applicants for certain conduct, instead favouring equally or less likely explanations, which cast the Applicants, the Additional Stay Parties or the non-Applicant affiliates in a negative light. For example:

(i) The Monitor, without discussing any analysis that it performed of the credit card statements provided to it by the Applicants, seemingly rejects the explanation provided by the Applicants and the Principals that millions in direct payments from the Applicants to the individual related parties, including the Principals, were reimbursements for *bona fide* business expenses incurred on the personal credit cards of the Principals – a practice that the Applicants have continued under the oversight of the Monitor, without any objection by the Monitor.

(ii) The Monitor states that after the Core Sale, certain of the Applicants took promissory notes in lieu of payments and that $11,082,375.97 appears to

have been paid to the Applicants in the form of such promissory notes. However, in the June 10, 2024 response letter, the Monitor was specifically advised that this conclusion is incorrect. The $11,082,375.97 listed in the trust ledger represented the amount repaid to unsecured lenders under promissory notes after the closing of the Core Sale. No such funds were paid to the Applicants or their principals in the form of promissory notes. The Monitor, without explanation, has ignored the only explanation provided to it for the $11,082,375.97 in payments. In doing so, the Monitor ignores the uncontroverted evidence of Ms. Drage that all applicable lenders (other than Lion's Share with Lion's Share's consent) were repaid from the proceeds of the Core Sale. The Monitor does so notwithstanding its reliance on Ms. Drage's evidence elsewhere in the Investigative Report to criticize the conduct of the Applicants. Also absent from the Investigative Report's discussion of the Core Sale is the Monitor's confirmation that it did not support the Applicants' pursuing claims in connection with the Core Holdback (as defined in the Investigative Report) at this time.

(d) The Monitor relies on certain statements from the interview of Ms. Drage that reflect poorly on the Applicants, the Additional Stay Parties and the non-Applicant affiliates. In doing so, the Monitor omits numerous statements made by Ms. Drage that are helpful to the Applicants, including answers that corroborate explanations that were provided to the Monitor. For example:

(i) The Monitor omits Ms. Drage's testimony that the Applicants' cash flow challenge became apparent to her between November 2022 and the beginning of 2023.

(ii) The Monitor omits Ms. Drage's evidence that she was aware of the transfer of real property between the Applicants and non-Applicant companies and that she had no issue with the transfers.

(iii) The Monitor omits Ms. Drage's corroborating evidence that the proceeds of the Core Sale were used to repay all relevant lenders in amounts that the Applicants believe to have been overstated by Windrose, with the exception of certain Lion's Share Promissory Notes, which were not repaid, with Lion's Share's consent.

(iv) The Monitor omits Ms. Drage's evidence that even after the Applicants began to miss interest payments, she was confident that the Applicants would obtain a refinancing.

(e) The Monitor describes isolated incidents, transactions and conduct, including isolated transactions that the Monitor itself approved, without any evidence that the examples are representative of pervasive issues with the business practices of the Applicants, the Additional Stay Parties or the non-Applicant affiliates. For example, the Monitor expresses concerns that the Applicants registered second mortgages on properties "in instances where statutory declarations were signed providing that no second mortgages would be registered (in some cases, absent consent of the Investor) […]". However, the Investigative Report fails to indicate

that, as stated above, the Applicants generally did not deal with the Lenders, and the Monitor has not referred to any evidence to suggest that this issue is pervasive or that it even extends beyond the three properties referenced in the Investigative Report (being three of 407 properties owned by the Applicants, and three of the Applicants' approximately 390 first mortgage loans).

73. Given the number of issues raised by the June 19 Letter and the clear relevance of these issues to the conclusions reached in the Investigative Report, as well as the fact that the Secured Lenders rely on the Investigative Report in support of their motion for the expansion of the Monitor's powers, I believe that it is entirely unfair for the motion to be heard until the Monitor has considered these issues (which it should have considered in the first instance before the Investigative Report was released) and revised the Investigative Report accordingly.

VI. THE SECURED LENDERS' MOTION FOR THE EXPANSION OF POWERS ORDER

74. I have reviewed the affidavits of Sofia Pino ("**Ms. Pino**"), Andrew Adams ("**Mr. Adams**") and Paul Searle ("**Mr. Searle**"), each of which were sworn in support of the Secured Lenders' motion for the proposed Expansion of Powers Order.

75. While I am sympathetic to each of these individuals given that they and their families have been impacted by the liquidity issues experienced by the Applicants, there are several aspects of their affidavits that need to be addressed.

76. My silence on any particular matter in their affidavits should not be taken to mean that I agree with their affidavits with regards to that matter (quite the opposite is true).

B. 162 Spadina Avenue, 403 Lloyd Street and 485 Pine Street S

77. At paragraphs 7-15 of her affidavit, Ms. Pino testifies that second mortgages were registered on three properties (162 Spadina, Sault Ste. Marie, Ontario, 403 Loyd Street, Sudbury Ontario, and 485 Pine Street S, Timmins, Ontario) without the consent of the first mortgagees even though statutory declarations, which provided that no second mortgages would be registered on those properties, had been executed.

78. As explained in the email of Mr. Foster dated May 24, 2024 attached as Exhibit "D" to Ms. Pino's affidavit,

> the Applicants did not have any direct correspondence with the first mortgage lenders and would not have sought such consents, where applicable, directly from any first mortgage lenders. Rather, the Applicants liaised exclusively with The Windrose Group Inc. ("**Windrose**") with respect to their first mortgage loans, and apprised Windrose of the second mortgage loans that they had intended on securing. The Applicants are not able to confirm whether Windrose sought the consent of the applicable first mortgage lenders or relayed that information to such first mortgage lenders and if so, how or when.

79. I agree with the contents of Mr. Foster's email.

80. Nothing suggests that the issue raised by Ms. Pino was a pervasive one or that it even extended beyond the three properties.

C. 246 East Balfour

81. At paragraphs 3-15 of his affidavit, Mr. Adams testifies that he holds a first-ranking mortgage over, among other properties, the property with the municipal address 246 East Balfour Street, Sault Ste, Marie, Ontario ("**246 East Balfour**"), and that unbeknownst to him "in approximately August 2023, the City hired a company to demolish the house on the East Balfour Property, which would have been charged to the property tax bill and has since been paid from

DIP." He further testifies that "the Applicants have failed to provide any updates or information regarding the status or condition of the East Balfour Property."

82. Again, while I am sympathetic to Mr. Adams' circumstances, there are a number of issues with Mr. Adams' claim that this issue is the fault of the Applicants or the Additional Stay Parties.

83. First, as explained above it is axiomatic that the real estate acquired in the ordinary course of the Applicants' Business is generally purchased in a state of disrepair and subsequently renovated for the purposes of leasing such property to residential tenants. Unsurprisingly, the Applicants' portfolio of Properties reflected as much prior to the commencement of these CCAA proceedings, at which time approximately 207 of the Applicants' approximately 631 rental units were unrenovated.

84. Second, and more importantly, the demolition occurred in or around August 2023, which preceded these CCAA proceedings. As explained above and in the June 19 Letter, before the commencement of these CCAA proceedings, the Applicants generally did not communicate with Lenders. During this time, the Applicants provided updates on properties owned by the Applicants to Windrose and assumed that updates would be communicated to the Lenders by Windrose as necessary.

85. Third, given that the demolition occurred before the commencement of these CCAA proceedings, the Applicants assumed that the demolition would have already been disclosed to Mr. Adams and therefore did not take active steps to advise him of same.

86. Fourth, while the Applicants have had discussions with some of the Lenders since the commencement of these CCAA proceedings, the Applicants do not have the contact information

for all of the Lenders. Indeed, most questions the Applicants have received from Lenders have been provided and answered through the Monitor.

D. 261 Kimberly

87. At paragraphs 3-10 of his affidavit, Mr. Searle testifies that his mother has a first-ranking mortgage over the property with the municipal address 261 Kimberly Avenue, Timmins, Ontario (the "**261 Property**") and that he has legal power of attorney over his mother's financial affairs. He further testifies that he was not advised by the Applicants, their insurance company or the City of Timmins of the two fires at the 261 Property or that the 261 Property was demolished on or around March 31, 2024.

88. Unfortunately, the 261 Property was the subject of two fires on November 18, 2023 and March 20, 2024, respectively. Windrose was apprised by the Applicants of the first fire, which occurred prior to the commencement of these CCAA proceedings. The second fire at the 261 Property necessitated that the home be demolished as it could not reasonably be repaired. The Applicants' advised the Monitor of the second fire.

89. While it is regrettable that Mr. Searle was not previously apprised of the fires, the Applicants did not, and continue to not, have access to the contact information of the Lenders sourced by Windrose unless otherwise provided by the applicable Lender following the commencement of these CCAA proceedings. Since the commencement of these CCAA proceedings, the Applicants have responded to numerous inquiries received from certain of the Lenders, predominantly through the Monitor, regarding the status of and other information pertaining to the Properties. The Applicants are not aware of any inquiry having been made regarding the 261 Property.

90. The Applicants have insurance in respect of the 261 Property, have submitted a claim to their insurer and are awaiting a response.

E. 269 Kimberly

91. At paragraphs 16-32 of her affidavit, Ms. Pino raises the potential demolition of the building located on the property with the municipal address, 269 Kimberly Avenue Timmons, Ontario.

92. While the Applicants failed to respond to the January 26 notice referenced in Ms. Pino's affidavit, the Applicants, primarily through Mr. Molony, have taken steps to rectify the issue. The Applicants were not in a position to address the issues at 269 Kimberly until they had access to funds for renovations from the DIP Facility.

93. In April 2024, Interlude Inc. arranged for the cleaning of the property and certain renovations.

94. On May 21, 2024, Interlude Inc. also obtained a report from the engineering company, Rivard Engineering ("**Engineering**"), in which Rivard concluded that although the building had "some specific structural concerns" that "need to be remedied", "[t]he structure can be repaired and restored for occupancy and is in no immediate danger of collapse." A copy of the report is attached hereto as **Exhibit "Q"**.

95. Mr. Molony advised Steph Palmateer, Director of Community Services & City Clerk for the Corporation of the City of Timmins. He has also asked what further steps could be taken to avoid the demolition of the structure and advised that further renovations could be made to the

building. A copy of the relevant email exchanges, including involving the Applicants' counsel, are collectively attached hereto as **Exhibit "R"**.

96. However, in the face of the correspondence from Mr. Molony as well as correspondence from the Monitor and its counsel advising that the demolition of the structure on the property would breach the terms of the Second ARIO, the City of Timmins has maintained its decision to proceed with the demolition of the structure. The Monitor's counsel's correspondence to the City of Timmins in this regard is collectively attached hereto as **Exhibit "S"**.

F. The Alleged Dissipation of Assets

97. At paragraphs 33-37 of her affidavit, Ms. Pino expresses a concern that the Additional Stay Parties may be using the non-Applicant affiliates to dissipate assets outside of the supervision of the Court since "the Principals have sold assets, and are continuing to attempt to sell other assets, while having the benefit of the stay of proceedings granted in this proceeding".

98. The allegation that the Principals have dissipated assets for their own benefit is entirely false.

99. Certain of the non-Applicant affiliates have sold, and continue to list for sale, properties since the commencement of these CCAA proceedings.

100. However, through their responses to the Monitor's requests for information and documentation, the Applicants and the Additional Stay Parties have kept the Monitor informed of the sales process by, among other things, advising the Monitor of which properties are for sale, which properties have sold, the use of proceeds for properties that have sold and the intended use of proceeds for properties that are for sale, but have yet to be sold. The Applicants have also

provided the Monitor with information concerning sales that preceded the commencement of these CCAA proceedings. Copies of the relevant disclosure and responses are included in the Brief. A copy of the most recent update letter dated June 19, 2024 (the "**June 19 Real Property Letter**") provided to the Monitor is attached hereto as **Exhibit "T"**.

101. As set out in the June 19 Real Property Letter, the use and intended use of the proceeds of sale, if any, do not include distributions to the Additional Stay Parties. Any proceeds from these sales have been used to repay (or partially repay) the respective vendor's secured and unsecured obligations and customary closing costs.

102. I also take issue with the tables attached as Exhibits "K" and "L" to Ms. Pino's affidavit, which she relies upon in support of her claim that the Additional Stay Parties are attempting to dissipate assets.

103. Exhibit "K" to Ms. Pino's affidavit is a table which Ms. Pino claims sets out "findings to date regarding certain real estate assets sold by the Principals and/or the non-Applicant entities they control". I am advised by Ms. Butt and Mr. Suitor that:

(a) As evidenced by the sub-searches of title conducted on June 19, 2024 collectively attached hereto as **Exhibit "U"**, neither the Applicants, the Additional Stay parties nor the non-Applicant affiliates have owned, own or frankly have heard of the following properties listed at Exhibit "K", seemingly included due to an association with an "Elev8 Properties Inc." of which, as set out in the corporate profile report obtained on June 19, 2024 attached hereto as **Exhibit "V"**, none of the Additional Stay Parties are directors or officers:

(i) 478 Burtch Road, Brantford, Ontario;

(ii) 531 Argyle Street South, Cambridge, Ontario;

(iii) 60 Trussler Road, Kitcher, Ontario; and

(iv) 45 Moderwell Street, Stratford, Ontario.

(b) The following properties listed at Exhibit "K" have not been sold, but the Monitor is aware of the attempts to list them for sale:

(i) 267 Leslie Street, Sudbury, Ontario; and

(ii) 362 Donovan Street, Sudbury, Ontario.

(c) The following properties listed at Exhibit "K" were sold but the proceeds (after closing costs) from the sales of the properties were paid or are due to be paid upon closing entirely to the respective vendor's secured and unsecured creditors, with the exception of the 200 King Street property where an immaterial surplus was realized and utilized in connection with other Interlude Inc. closings:

(i) 12 Thornton Street, St. Catherines, Ontario;

(ii) 131 Duncan Street, Welland, Ontario;

(iii) 200 King Street, St. Catherines, Ontario;

(iv) 3 Water Street, St. Catherines, Ontario; and

(v) 394 Appleby Line, Burlington, Ontario.

104. Exhibit "L" to Ms. Pino's affidavit is a table "setting out our findings to date regarding certain real estate assets recently listed for sale by the Principals and/or the non-Applicant entities they control". I am advised by Ms. Butt and Mr. Suitor of the following:

(a) while each of the properties listed at Exhibit "L" were listed for sale at some point in time, the Monitor was advised of this fact as well as the proposed use of proceeds from each potential sale;

(b) in a letter dated June 19 Real Property Letter counsel for the Applicants advised the Monitor that the subset of properties listed in Exhibit "L" that are owned by Zack Files Real Estate Inc. are no longer listed for sale; and

(c) the Monitor has been advised that all proceeds from the sale of each of the properties listed at Exhibit "L" relating to Mr. Suitor will be used to repay the applicable vendor's secured and unsecured creditors and pay customary closing costs.

G. The Monitor's Findings in the Investigative Report

105. At paragraphs 38-39 of her affidavit, Ms. Pino advises that she has reviewed a redacted version of the Investigative Report, that she and several other Lenders are "shocked and appalled at the Monitor's findings" and that as a result "she and the other Lenders "have no confidence whatsoever in the Principals to act in the best interests of the investors, being the Applicants' true stakeholders."

106. The Lenders' reaction, given the inflammatory language used in the Investigative Report, is unsurprising, but is unfortunate as it is the result of the Monitor's failure to provide the

Applicants and the Additional Stay Parties with an opportunity to review and comment on the Investigative Report before it was issued.

107. Had the Applicants and the Principals been provided with such an opportunity to review, they would have been able to advise the Monitor of the many issues with the Investigative Report, which have resulted in an unbalanced presentation of the facts and cast the Applicants and the Principals in a particularly negative light.

108. The Lenders' reaction is also, in part, the result of the fact that Ms. Pino and other Lenders would not have had the benefit of reviewing the Applicants' prior responses to the Monitor's requests, the Principals' answers provided during their interviews or the Applicants' June 19 Letter and June 19 Real Property Letter.

VII. EXTENDING THE STAY OF PROCEEDINGS

109. The Stay of Proceedings under the SISP Approval Order will expire on June 24, 2024. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay of Proceedings to and including July 8, 2024 (the "**Stay Period**").

110. The proposed extension of the Stay of Proceedings is opposed by the Secured Lenders, the Unsecured Lenders, the Lion's Share Receiver and the Monitor. Though the Unsecured Lenders and the Lion's Share Receiver have not filed any affidavit evidence articulating the basis for their respective positions, it appears to be premised on the disputed, incomplete and at times, inaccurate or misleading, findings and conclusions within the Investigative Report. The position of the Secured Lenders appears to share the identical premise.

111. Notwithstanding the Monitor's acknowledgement that its findings are subject to revision/correction upon receipt of further information from the Applicants, the Monitor has seemingly suggested that it will not, under any circumstances, support an extension of the Stay of Proceedings absent the granting of the proposed Expansion of Powers Order. According to the Fifth Report, its opposition is based on:

(a) the "grave concerns" of the Applicants' Lenders regarding the Applicants' conduct prior and subsequent to these CCAA proceedings – such conduct being as described and characterized in the disputed Investigative Report and pertaining to the state of as yet unfinished Properties, the renovation and completion of which have been constrained and delayed by the Secured Lenders now critiquing their state; and

(b) the Applicants' failure to meet the "good faith and with due diligence standard", given:

(i) the issues identified by the Monitor in the Investigative Report – issues that the Applicants dispute and have had a limited opportunity to respond to;

(ii) feedback received from the City of Timmins in respect of one of 407 Properties owned by the Applicants – to which both the Applicants and the Monitor have responded and asserted that the City of Timmins has ignored the uncontroverted conclusion of the engineer retained by the Applicants to address its concerns;

(iii) my failure and the failure of the Applicants and the Additional Stay Parties to respond to a myriad of requests – requests that the Applicants have and

will continue to respond to, are not in all cases, proportionate in scope, within the ambit of the Investigation, or otherwise appropriate, and represent a fraction of the aggregate requests made in and outside of the Investigation to the Applicants and Principals; and

(iv) advice received from the Applicants' Lender constituents that they have lost faith "in the Applicants and their principals' ability to manage the Business" – a loss of confidence that has resulted from or been secured by the disputed, incomplete and at times, inaccurate or misleading, findings and conclusions within the Investigative Report.

112. The Applicants believe that the proposed *limited* extension of the Stay of Proceedings is appropriate in the circumstances, especially given the Monitor's existing Consent Requirement, oversight of the Applicants' bank accounts, and control over the proceeds of the DIP Facility. The proposed extension of the Stay of Proceedings in respect of the Applicants, the Applicants' Property and the Business as well as the Additional Stay Parties and the Additional Stay Parties' Property is discussed below.

A. The Stay of Proceedings in Respect of the Applicants, the Property and the Business

113. As described in the Clark Affidavits, the Applicants require the Stay of Proceedings to prevent numerous uncoordinated and value deteriorative enforcement actions by, among others, the Lenders and disruption to the Business while the Applicants' restructuring efforts are pursued in earnest. If extended, the Stay of Proceedings will preserve the *status quo* and afford the Applicants the breathing space and stability required to, among other things:

(a) operate the Business in the ordinary course without disruption, subject to the Consent Requirement and the other provisions of the Second ARIO;

(b) respond to the Investigative Report and engage with the Monitor in addressing the disputed findings and dispelling the concerns raised therein;

(c) avoid uncoordinated and distressed sales or forced liquidations of the Properties, which would be value deteriorative and contrary to the best interests of the Applicants' stakeholders;

(d) preserve their existing tenant relationships and protect such tenants from forced entries and other improper and disruptive conduct previously taken by certain aggressive Lenders;

(e) respond to the Secured Lenders' request for the proposed Expansion of Powers Order and engage with the Lion's Share Receiver as well as the Lender Representative Counsel and the Unsecured Lender Representative Counsel, on behalf of the Secured Lenders and the Unsecured Lenders, respectively, regarding such stakeholders' interests and concerns;

(f) continue to complete value accretive renovations; and

(g) allow the Monitor, with the assistance of the SISP Advisors to continue to discuss the appropriate next steps in the SISP with each of the Reviewing Parties.

114. As set out in the Fifth Report, the Monitor has prepared a revised cash flow analysis (the "**Revised Cash Flow Forecast**") to determine the Applicants' funding requirements until July 31,

2024. The Revised Cash Flow Forecast demonstrates that the Applicants are forecast to have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings until July 31, 2024, provided that no further renovation costs are incurred. At the end of such period, the DIP Facility balance is forecast to be approximately $10.93 million. A copy of the Revised Cash Flow Forecast is attached to the Fifth Report as Appendix "D".

115. In light of the foregoing, I believe that the proposed extension of the Stay of Proceedings is both necessary and in the best interests of the Applicants and their stakeholders. Further, I do not believe that any creditor or other stakeholder will be materially prejudiced by the proposed extension of the Stay of Proceedings, especially given that:

(a) the proposed extension of the Stay of Proceedings is limited to a two-week period;

(b) the Monitor has, pursuant to the Consent Requirement, exclusive authority to control the payments to be made, and liabilities to be incurred, by the Applicants during the Stay Period;

(c) the Monitor has held, and continues to hold, the proceeds of the DIP Facility disbursed to the Applicants in trust; and

(d) the Monitor has and continues to have access to each of the Applicants' bank accounts, among various other information relating to the Applicants and the Business.

B. Extending the Stay of Proceedings to the Additional Stay Parties and the Additional Stay Parties' Property

116. As noted in the Clark Affidavits, the obligations of the Applicants under all or substantially all of the First Mortgage Loans, the Second Mortgage Loans and the Promissory Notes are or are purportedly personally guaranteed by the Additional Stay Parties, who are indirect shareholders and directors of the Applicants. Accordingly, the Applicants sought and obtained a temporary stay of proceedings against or in respect of the Additional Stay Parties, or against or in respect of any of the Additional Stay Parties' Property with respect to the Related Claims under the Initial Order and thereafter, the ARIO, the Second ARIO and the SISP Approval Order.

117. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the temporary stay of the Related Claims to prevent enforcement action from being commenced or continued against the Additional Stay Parties or the Additional Stay Parties' Property during the Stay Period. Extending the temporary stay of proceedings in favour of the Additional Stay Parties and the Additional Stay Parties' Property is necessary to maintain stability, preserve the Applicants' and the Additional Stay Parties' limited time and resources, ensure that the Properties are appropriately managed and the Applicants' tenants serviced, and facilitate the administration of these CCAA proceedings.

118. In extending the temporary stay of proceedings in favour of the Additional Stay Parties and the Additional Stay Parties' Property, nothing in the proposed Stay Extension Order purports to release, compromise or permanently enjoin the Related Claims. Further, pursuant to the Second ARIO, 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 will continue to be tolled during the Stay Period.

119. The potential prejudice to certain of the Lenders that may result from the continuation of a temporary stay of proceedings in favour of the Additional Stay Parties or against or in respect of any of the Additional Stay Parties' Property with respect to the Related Claims, when measured against the substantial benefits of imposing such a stay, is minimal, given, among other things, that:

(a) the commencement or continuation of the Related Claims, which are derivative of the Applicants' liabilities under the First Mortgage Loans, the Second Mortgage Loans and the Promissory Notes, will invariably necessitate both the Additional Stay Parties' – the vast majority of whose net worth is invested in the Applicants and the Properties – and the Applicants' participation in tens or potentially hundreds of individual actions;

(b) the Additional Stay Parties' participation in responding to any Related Claims will severely strain the Applicants' already limited resources and those of the Applicants' directors, jeopardizing the Applicants' restructuring efforts and the success of these CCAA proceedings;

(c) as demonstrated by the Statements of Claim described in the First Clark Affidavit, 27 of which name one or more of the Additional Stay Parties as defendants, the risk of the simultaneous involvement of the Applicants and the Additional Stay Parties in responding to any Related Claims (if permitted to be pursued) is not merely theoretical;

(d) the time, resources and energy of the Additional Stay Parties has been and continues to be severely strained by (i) the Investigation, (ii) extensive information requests

from the Monitor, the Monitor's counsel, and the Lenders, (iii) the Business' ordinary course operations, and (iv) ongoing demands and enforcement steps against, and requests made of, the Additional Stay Parties as a result of these CCAA proceedings but, in respect of obligations that do not constitute Related Claims;

(e) the failure of these CCAA proceedings, and the concomitant distressed sale of the Properties, will be detrimental to the Applicants' stakeholders, including the Lenders and the Applicants' approximately 1,000 tenants;

(f) the Additional Stay Parties have not received any salaries from the Applicants since the commencement of these CCAA proceedings, have never, unlike comparable businesses, directly or indirectly charged a fee in respect of assets under management, and do not have incomes capable of funding defences to potentially hundreds of claims in respect of purported guarantees, let alone satisfying them in whole or in part given their limited assets outside of the Applicants;

(g) the Additional Stay Parties' net worth outside of the Applicants and the Properties will not be sufficient to satisfy the significant obligations they have or have purportedly guaranteed and is nominal relative to the Applicants' funded indebtedness;

(h) a principal purpose of these CCAA proceedings and the SISP is the identification and consummation of one or more refinancing or restructuring transactions that will underpin a plan of compromise or arrangement, which may reduce the quantum of the Related Claims (and materially so) if such Related Claims cannot be addressed consensually;

(i) the Related Claims are not proposed to be released, compromised or permanently enjoined under the Stay Extension Order and 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 will be tolled for a period of time equal to the Stay Period;

(j) the validity and enforceability of the guarantees and purported guarantees from which the Related Claims are primarily derived has not yet been determined; and

(k) certain of the Additional Stay Parties are integral members of SID Management's and SID Renos' respective management teams, each of which provides critical services to the Applicants.

120. The Secured Lenders' suggestion, as reflected in the proposed Expansion of Powers Order, that that the Additional Stay Parties ought to be exposed to potentially hundreds of Related Claims while simultaneously compelling them, through SID Management and SID Renos, to continue to provide property management and renovation services, is entirely unworkable. Further, it disregards the practical reality that SID Management and SID Renos are likely to be faced with numerous employee resignations if the proposed Expansion of Powers Order is granted and that, based on the Applicants' prior experience with the Core Sale, any orderly transition of SID Management's property management services will take approximately six months to complete.

VIII. CONCLUSION

121. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize and operate the Business, respond to numerous

Lender, Monitor and other stakeholder inquiries, cooperate in the Investigation, including in the production of thousands of documents, complete value accretive renovations, and advance their refinancing and restructuring efforts. With the benefit of the limited relief proposed under the proposed Stay Extension Order, the Applicants will be able to respond to the Secured Lenders' request for the proposed Expansion of Powers Order, and address and dispel the concerns raised by the Monitor in the Investigative Report and the Fifth Report.

122. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants and their stakeholders, including the Lenders and the Applicants' approximately 1,000 tenants. Moreover, I continue to believe that these CCAA proceedings and the relief sought herein presents the best means of addressing the challenges facing the Business and effecting the refinancing and/or restructuring transactions necessary to maximize value for the Applicants' stakeholders.

123. I swear this affidavit in response to the Secured Lender's motion for the proposed Expansion of Powers Order and in support of the Applicants' motion for the proposed Stay Extension Order and for no other or improper purpose.

SWORN REMOTELY by Robert Clark stated as being located in the City of Hamilton, in the Province of Ontario, before me at the City of Oakville, in the Province of Ontario, on June 20th, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Joshua Foster

JOSHUA FOSTER
Commissioner for Taking Affidavits
(or as may be)

DocuSigned by:
72D0AD4433814D9...

ROBERT CLARK

TAB A

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 23RD
	)	
JUSTICE KIMMEL	)	DAY OF JANRUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC., NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC. (collectively the "**Applicants**", and each an "**Applicant**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Robert Clark sworn January 23, 2024 and the Exhibits thereto, and the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated January 23, 2024, and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to KSV, the proposed Lender Representative Counsel (as defined below), and such other counsel that were present, and on reading the consent of KSV to act as the monitor (in such capacity, the "**Monitor**"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

(a) all outstanding and future wages, salaries, commissions, employee and pension benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses; and

(b) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

5. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

6. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of

municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

7. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

8. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $100,000 in the aggregate; and

(b) pursue all avenues of refinancing, restructuring, selling or reorganizing its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

NO PROCEEDINGS AGAINST THE APPLICANTS, THE BUSINESS OR THE PROPERTY

9. **THIS COURT ORDERS** that until and including February 2, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective

employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

10. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of Aruba Butt, Dylan Suitor and/or Ryan Molony (collectively, the "**Additional Stay Parties**"), or against or in respect of any of the Additional Stay Parties' current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by

section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

12. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, accounting services, temporary labour and staffing services, warehouse and logistics services, security services, insurance, transportation services, maintenance services, construction services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF LENDER REPRESENTATIVE COUNSEL

15. **THIS COURT ORDERS** that Chaitons LLP (the "**Lender Representative Counsel**") is hereby appointed as representative counsel for all of the secured and unsecured lenders of the Applicants (collectively, the "**Lenders**"), including, without limitation, all of the Lenders that have RRSPs or other registered accounts administered by Olympia Trust Company, in these proceedings, any proceeding under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") or in any other proceeding respecting the insolvency of the Applicants that may be brought before this Court (collectively, the "**Insolvency Proceedings**"), for any issues affecting the Lenders in the Insolvency Proceedings, including, without limitation, with respect to the settlement or compromise of any rights, entitlements or claims of the Lenders.

16. **THIS COURT ORDERS** that the Lender Representative Counsel shall be entitled but not required to commence the process of identifying no more than six (6) Lenders to be nominated as Court-appointed representatives (collectively, the "**Lender Representatives**") as soon as practicable following the date hereof. The Lender Representatives, if and once appointed, shall represent the Lenders other than any Opt-Out Lender (as defined below), if any, in the Insolvency Proceedings and advise, and where appropriate instruct, the Lender Representative Counsel, including, without limitation, for the purpose of settling or compromising claims of the Lenders in the Insolvency Proceedings. The Lender Representative Counsel may rely upon the advice, information and instructions received from the Lender Representatives, if any, in carrying out its mandate without further communications or instructions from the Lenders, except as may be recommended by the Lender Representative Counsel or ordered by this Court.

17. **THIS COURT ORDERS** that, with the exception of any Opt-Out Lender, (i) the Lender Representative Counsel and the Lender Representatives, if any, shall represent all of the Lenders in the Insolvency Proceedings, and (ii) the Lenders shall be bound by the actions of the Lender Representative Counsel and the Lender Representatives, if any, in the Insolvency Proceedings.

18. **THIS COURT ORDERS** that, subject to confidentiality arrangements acceptable to the Applicants and the Monitor, the Applicants, The Windrose Group Inc. and Lift Capital Incorporated shall provide the following information to the Lender Representative Counsel (collectively, the "**Lender Information**"), in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Lenders (excluding any Opt-Out Lender that has delivered an Opt-Out Notice (as defined below) prior to the delivery of the Information), in each case, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated, to be used solely for the purposes of the Insolvency Proceedings; and (ii) upon request of the Lender Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Lenders in the Insolvency Proceedings, to the extent in the possession or control of the Applicants, The Windrose Group Inc. and/or Lift Capital Incorporated. In providing the Lender Information, these parties are not required to obtain the express consent of any Lender authorizing the disclosure of the Lender Information to the Lender Representative Counsel for the purposes of the Insolvency Proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, each of these parties is authorized and permitted to disclose the Lender Information to the Lender Representative Counsel for the purposes of the Insolvency Proceedings, without the knowledge or consent of the Lenders.

19. **THIS COURT ORDERS** that notice of the appointment of Lender Representative Counsel shall be provided by: (i) the Lender Representative Counsel sending a letter to the Lenders at the addresses provided pursuant to paragraph 18 of this Order, advising of such appointment as soon as practicable following the date hereof; (ii) the inclusion of the details of such appointment in the CCAA Notice (as defined below); and (iii) the posting of notice of such appointment on the Monitor's Website (as defined below).

20. **THIS COURT ORDERS** that any Lender who does not wish to be represented by the Lender Representative Counsel and the Lender Representatives, if any, in the Insolvency Proceedings shall, within thirty (30) days of the date hereof, notify the Monitor and the Lender Representative Counsel in writing that such Lender is opting out of representation by the Lender Representative Counsel and the Lender Representatives, if any, by delivering to the Monitor and the Lender Representative Counsel an opt-out notice in the form attached as Schedule "A" hereto

(each, an "**Opt-Out Notice**"), and shall thereafter not be bound by the actions of the Lender Representative Counsel or the Lender Representatives, if any, and shall represent itself or themselves, as the case may be, or be represented by any counsel that such Lender may retain at its or their, as the case may be, sole expense (each such Lender that delivers an Opt-Out Notice in compliance with the terms of this paragraph, an "**Opt-Out Lender**"). The Monitor shall deliver copies of all Opt-Out Notices received to the Applicants as soon as reasonably practicable.

21. **THIS COURT ORDERS** that all reasonable and documented fees and disbursements as may have been incurred by the Lender Representative Counsel prior to the date of this Order or which shall be incurred by the Lender Representative Counsel shall be paid by the Applicants on a bi-weekly basis, forthwith upon the rendering of accounts to the Applicants. Any disagreement regarding such fees and disbursements may be remitted to this Court for determination.

22. **THIS COURT ORDERS** that no action or proceeding may be commenced against the Lender Representative Counsel or the Lender Representatives, if any, in such capacities and/or in respect of the performance of their duties under this Order, without leave of this Court on seven (7) days' notice to the Lender Representative Counsel or the Lender Representatives, as applicable, the Applicants and the Monitor.

23. **THIS COURT ORDERS** that the Lender Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or government ministry, department or agency, and to take all such steps as are necessary or incidental thereto. The Lender Representative Counsel and the Lender Representatives, if any, shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or wilful misconduct on their part.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicants in their preparation of the Applicants' cash flow statements;

(d) monitor all payments, obligations and transfers as between the Applicants;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act* or the Ontario *Occupational Health and Safety Act*, and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors and other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Monitor, and counsel to the Applicants are hereby authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicants' counsel and the Lender Representative Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraph 35 hereof.

VALIDITY AND PRIORITY OF THE CHARGE CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

35. **THIS COURT ORDERS** that the Administration Charge (as constituted and defined herein) shall constitute a charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment; provided that the Administration Charge shall rank behind Encumbrances in favour of any Persons that have not been served with notice of the application for this Order. The Applicants and the beneficiaries of the Administration Charge shall be entitled to seek priority of the Administration Charge ahead of such Encumbrances on a subsequent motion including, without limitation, at the Comeback Hearing (as defined below), on notice to those Persons likely to be affected thereby.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge, or further Order of this Court.

37. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained

in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and

(c) the payments made by the Applicants pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

38. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Applicant's interest in such real property lease.

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (ii) within ten (10) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

40. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: https://www.ksvadvisory.com/experience/case/sid (the "**Monitor's Website**").

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor, and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown in the books and records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

42. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

COMEBACK HEARING

43. **THIS COURT ORDERS** that the comeback motion in these proceedings shall be heard on January 31, 2024 at 9:30 a.m. (Eastern Time) (the "**Comeback Hearing**").

GENERAL

44. **THIS COURT ORDERS** that any interested party (including the Applicants) may apply to this Court to amend or vary this Order at the Comeback Hearing on not less than two (2) business days' notice to the service list in these proceedings and any other Persons likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Administration Charge and priorities set forth in paragraph 35 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

45. **THIS COURT ORDERS** that, notwithstanding paragraph 44 of this Order, each of the Applicants, the Monitor or the Lender Representative Counsel may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

46. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

47. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

48. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

Digitally signed by
Jessica Kimmel
Date: 2024.01.23
17:50:43 -05'00'

SCHEDULE "A"
FORM OF OPT-OUT NOTICE

To: Chaitons LLP, in its capacity as Court-appointed Lender Representative Counsel
5000 Yonge Street, 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: rjacobsj@cassels.com/jbellissimo@cassels.com

I, in my individual capacity or in my capacity as an authorized representative of the undersigned, as applicable (in either capacity, the "**Opt-Out Lender**"), hereby provide written notice that the Opt-Out Lender does not wish to be represented by Chaitons LLP, representative counsel (the "**Lender Representative Counsel**") for all of the secured and unsecured lenders of Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in any proceeding respecting the insolvency of the Applicants (the "**Insolvency Proceedings**"). By opting out of this representation, the Opt-Out Lender hereby acknowledges and understands that if it wishes to take part in the Insolvency Proceedings, then it must do so as an independent party. Further, the Opt-Out Lender hereby acknowledges and understands that it is responsible for its own legal representation or for retaining its own legal counsel should it choose to do so, and that it would be personally liable for the costs of its own legal representation.

The Opt-Out Lender hereby acknowledges and understands that a copy of this Opt-Out Notice will be provided to the Applicants.

_____
Witness

_____
Signature of Opt-Out Lender or its authorized representative

Name of individual or authorized representative of the Opt-Out Lender: _____

Name of Opt-Out Lender (if not a natural person): _____

Address: _____

_____

Telephone: _____

TO OPT OUT, THIS FORM MUST BE COMPLETED AND RECEIVED AT THE ABOVE ADDRESS ON OR BEFORE FEBRUARY 22, 2024.

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

INITIAL ORDER

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
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Lawyers for the Applicants

TAB B

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-24-00713254-00CL **DATE:** **23 January 2024**

NO. ON LIST: **5 (12:00pm)**

TITLE OF PROCEEDING: **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.**

BEFORE JUSTICE: **KIMMEL**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
ZWEIG, SEAN FOSTER, JOSHUA GRAY, THOMAS	BALBOA INC. et al, Debtors	zweigs@bennettjones.com fosterj@bennettjones.com grayt@bennettjones.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
GOLDSTEIN, NOAH SIERADZKI, DAVID	KSV Restructuring Inc Proposed monitor	ngoldstein@ksvadvisory.com dsieradzki@ksvadvisory.com

JACOBS, RYAN BELLISSIMO, JOSEPH KUKULOWICZ, SHAYNE		rjacobs@cassels.com jbellissimo@cassels.com skukulowicz@cassels.com
CHAITON, HARVEY BENCHETRIT, GEORGE	CHAITONS LLP Proposed Lender Representative Counsel	harvey@chaitons.com george@chaitons.com
BURR, CHRIS LOBERTO, DANIEL	Blake, Cassels & Graydon LLP Howards Capital Corp, proposed Financial Advisor	chris.burr@blakes.com daniel.loberto@blakes.com

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ENDORSEMENT OF JUSTICE KIMMEL:

The Applicants' Business, Indebtedness and Liquidity Crisis

1. 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"), all Canadian privately held companies, seek relief pursuant to an order (the "Initial Order") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").
2. The Applicants are all subsidiaries of (i) One Happy Island Inc. ("Happy Island"), (ii) Keely Korp Inc. ("Keely Korp"), (iii) 2657677 Ontario Inc. ("265 Inc."), or (iv) Sail Away Real Estate Inc. ("Sail Away", and collectively, the "Non-Applicant Parent Cos."), or some combination thereof. These companies are each, in turn, directly or indirectly controlled and managed by one or more of three individuals, Aruba Butt, Dylan Suitor, and Ryan Molony who are variously the indirect shareholders, directors and officers (the "Affiliated Individuals" also later referred to as the "Additional Stay Parties").
3. The Applicants currently only have one employee who is employed full-time by The Mulligan Inc. The Mulligan Inc. has approximately $55,000 in unpaid source deductions.
4. The Applicants specialize in the acquisition, renovation and leasing of distressed residential real estate in what they considered to be undervalued markets throughout Ontario (the "Business"). The Applicants currently own 405 residential properties (collectively, the "Properties" and each, a "Property"), containing 631 rental units, including 424 currently-tenanted rental units, and a single non-operating golf course.
5. The purchase, renovation and related costs of the Properties were financed through (i) first and second mortgage loans, and (ii) unsecured promissory notes. This debt is predominantly held by hundreds of individual real estate investors (the "Lenders"). The Applicants also have an estimated 1,000 tenants in their Properties. The applicants and their affiliates (collectively, the "Companies") are one of the largest holders of residential real estate in Ontario.
6. As of December 31, 2023, there is approximately $81,455,930 in principal outstanding under 390 First Mortgage Loans. As of December 31, 2023, there is approximately $8,642,697 in principal outstanding under the Second Mortgage Loans. The majority of these First and Second Mortgage Loans are in default. Substantially all of the First and Second Mortgage Loans were executed by the Affiliated Individuals, purportedly in their capacity as guarantor[1].
7. The Applicants have collectively issued approximately 802 unsecured promissory notes (as amended from time to time, the "Promissory Notes"). Approximately 602 of the Promissory Notes were issued to

[1] The Applicants have indicated that there may be challenges to the validity and scope of guarantees provided by the Affiliated Individuals in respect of the First and Second Mortgage Loans and the Promissory Notes.

The Lion's Share Group Inc., an affiliate of the Hamilton-based mortgage brokerage, The Windrose Group Inc. ("Windrose"), which was the broker that sourced and placed the First Mortgage Loans. The remaining Promissory Notes were issued to First Mortgage Lenders directly. The majority of these Promissory Notes are currently in default. They were also signed by the Individual Affiliates purportedly as guarantors. As of December 31, 2023, the Applicants currently owe the principal amount of $54,236,109.51 pursuant to the Promissory Notes.

8. Commencing in 2022, the Applicants undertook various refinancing and sale initiatives, with some modest success. However, they were unable to find a comprehensive solution to their mounting debt and lower than anticipated revenues and they have suffered substantial losses in the past eighteen months. They have been trying since August 2023, with the assistance of a professional financial advisor, Howards Capital Corp. ("HCC"), to obtain a comprehensive refinancing solution for their funded indebtedness.
9. They now face a severe liquidity crisis and are generally unable to meet their obligations as they become due under their funded debt (some of which is secured and some of which is not) and they also have significant tax and other unsecured obligations to trade creditors, affiliates, and utilities. The ability of the Applicants to earn revenue or profits from their Business has been negatively impacted by their lack of capital to fund renovations.
10. As of December 31, 2023, the funded indebtedness of the Applicants totaled approximately $144,350,000. The estimated total book value of their collective assets, based on available financial statements for years ended 2021 and 2022 (as the case may be) was approximately $127,858,943.
11. Between them, the Applicants currently have less than $100,000 cash on hand.
12. In recent months, the Applicants have received over 50 demand letters, notices of default, notices of intention to enforce security and notices of sale under mortgage, among other demands and notices, and are named in approximately 32 statements of claim that have been filed in the Ontario Superior Court of Justice. In 27 of these instances, an Affiliated Individuals is also named as a defendant. These actions remain unresolved and the Applicants and the Affiliated Individuals have not responded to or taken any material steps in connection therewith.
13. In light of their current liquidity crisis, limited cash on hand, and numerous defaults and related enforcement proceedings, the Applicants have concluded that they can no longer continue to operate the Business absent the relief sought under the Initial Order. The Proposed Monitor, KSV Restructuring Inc. ("KSV"), believes that the relief sought is reasonable and necessary in the circumstances and supports the Applicants' requested Initial Order.

The CCAA Application

14. The Applicants believe these CCAA proceedings present the only viable means to preserve and maximize the value of the Business for the benefit of the Applicants' stakeholders. The relief sought in the Initial Order will allow the Applicants the breathing space needed to pursue a comprehensive refinancing or restructuring and implement a consensual plan of arrangement, if one can be achieved.
15. The issues raised by the relief sought are whether:
    a. The Applicants meet the criteria for CCAA protection, including the Initial Stay, and have proposed a qualified Monitor;
    b. The proceedings should be stayed against the Affiliated Individuals (a.k.a., the Additional Stay Parties);
    c. The Lender Representative Counsel should be appointed; and
    d. The Administration Charge (as defined below) should be granted.

Analysis

a) The CCAA Applies and the Initial Stay and Proposed Monitor are Appropriate

16. Section 9(1) of the CCAA provides that an application under the CCAA may be made to the court that has jurisdiction in the province where the debtor company has its "head office or chief place of business." The CCAA applies to a "debtor company" or "affiliated debtor companies" that is, among other things, "insolvent", which has been interpreted to include companies that are reasonably expected to run out of liquidity in the time it may take to implement a restructuring. See *Re Just Energy Corp.*, 2021 ONSC 1793, at para. 49.
17. These criterion have been satisfied.
18. The Applicants were all incorporated pursuant to the OBCA, and their business and assets are exclusively in Ontario. As such, each of the Applicants are a "company" within the ambit of the CCAA. Given that each of the Applicants' registered offices is located in Ontario, and the Business is carried out exclusively in Ontario, Ontario is the appropriate venue for these proceedings and this Court has jurisdiction to hear this application.
19. Pursuant to subsection 3(2) of the CCAA, "companies are affiliated companies if one of them is the subsidiary of the other or both are subsidiaries of the same company or each of them is controlled by the same person". The Applicants operate as an integrated Company, and various of the Applicants are "affiliated companies" through their shared ownership by the Non-Applicant Parent Cos. Their indebtedness far exceeds $5 million.
20. In order for the CCAA to apply, the debtor company must also be insolvent under the definition of "insolvent person" set out in the *Bankruptcy and Insolvency Act*, R.S.C. c. B-3, as amended (the "BIA").
21. Courts have also recognized the expanded definition of insolvency provided in *Re Stelco*, 2004 CanLII 24933 at paras 25-26, which provides that a company is also insolvent for purposes of the CCAA if there is a looming liquidity crisis such that it is reasonably foreseeable that the debtor will run out of cash unless its business is restructured. Applied here, the Applicants are individually and as a whole insolvent. The Applicants are facing a significant liquidity crisis and cannot satisfy their liabilities as they come due.
22. Section 11.02(1) of the CCAA permits this court to grant an initial stay of up to 10 days on an application for an initial order, provided the applicant establishes that such a stay is appropriate and that the applicant has acted with due diligence and in good faith (s. 11.02(3)(a-b)). The primary purpose of the CCAA stay is to maintain the *status quo* for a period while the debtor company consults with its stakeholders with a view to continuing its operations for the benefit of its creditors.
23. A stay of proceedings will be appropriate where it maintains the status quo and provides applicants with breathing room while they seek to restore solvency and emerge from the CCAA on a going-concern basis. See *Century Services Inc v Attorney General (Canada)*, 2010 SCC 60, at para. 14.
24. The Stay of Proceedings will preserve the status quo and afford the Applicants the breathing space and stability required to advance their restructuring efforts, including their intention to negotiate and seek approval of a debtor-in-possession facility, to seek approval to appoint HCC as financial advisor, and to develop a plan of compromise or arrangement and/or explore other restructuring transaction alternatives. Additionally, it will permit the Applicants to continue to operate the Business as a going concern with minimal disruption. The continued and uninterrupted operation of the Business and the avoidance of uncoordinated and distressed sales or forced liquidations of the Properties will preserve value for the Applicants' stakeholders and is in the best interests of all stakeholders, including the Lenders and the Applicants' tenants.
25. In the circumstances of this case, that the Stay of Proceedings is in the Applicants' best interests and the best interests of their stakeholders, consistent with the purposes of the CCAA, and appropriate in the circumstances.

26. KVS is a "trustee" within the meaning of subsection 2(1) of the BIA, it is established and qualified and has consented to act as monitor. KVS's involvement as the court-appointed monitor will lend stability and assurance to the Company's stakeholders. KVS is not subject to any of the restrictions set out in s. 11.7(2) of the *CCAA*.
27. In December, 2023, KSV Advisory Inc. (an affiliate of KSV) was engaged by the Applicants and has been working with the Applicants' management team, financial advisor and legal counsel since that time to assist them to prepare for this filing. During its engagement, KSV has obtained an understanding of the Applicants' Business. This knowledge will assist KSV to fulfil its duties as Monitor.

b) Extending the Stay to the Additional Stay Parties

28. The Additional Stay Parties purportedly provided guarantees in respect of substantially all of the First Mortgage Loans, Second Mortgage Loans, and Promissory Notes. The Applicants' defaults have already resulted in at least 27 claims being filed against the Additional Stay Parties. If the Non-Applicant Stay is not granted, it is conceivable that hundreds of claims could be filed against the Additional Stay Parties in connection with the Applicants' Business. The Applicants are concerned that this will occur within the initial 10 day period before the come-back hearing.
29. Section 11.04 of the CCAA provides that a stay pursuant to section 11.02 will not affect claims against third party guarantors of an applicant company, and section 11.03(2) provides that a stay pursuant to section 11.02 does not affect an action against a director on a guarantee given by the director relating to the company's obligations or an action seeking injunctive relief against a director in relation to the company. So it is clear that, absent some specific order, the CCAA stay in favour of the Applicants under s. 11.02 would not protect the Additional Stay Parties who have provided guarantees.
30. Such a stay was denied in favour of a non-applicant director, ostensibly at least in part on jurisdictional grounds, in *Cannapiece Group Inc. v. Marzili, 2022 ONSC 6379*, but such stays have been granted in favour of non-applicants, including director guarantors, in other cases. See for example *Nordstrom Canada Retail, Inc.*, 2023 ONSC 1422, at paras 40-42; *BBB Canada Ltd*., 2023 ONSC 1014 at paras 32-34 and *McEwan Enterprises Inc*., 2021 ONSC 6453 at para 45, the latter being the most analogous case involving a stay in favour of a non-applicant director/guarantor.
31. In *Cannapiece*, the court was concerned about the breadth of the wording of the proposed non-applicant stay in favour of the director but was also able to make a procedural order that accomplished the same result in the one already existing proceeding against that director guarantor against whom there was an already crystalized claim.
32. I agree with the applicant that this case is more akin to the circumstances in *BBB* and *Nordstrom* and particularly *McEwan* where the third party stays were granted in complex situations in which non-parties could be facing significant distractions from their important restructuring work if they were having to respond to and fend off guarantee claims against them personally that overlap with the claims against the Applicants themselves. The Additional Party Stay here is limited to claims that relate to the Applicants or obligations of the Applicants. It only applies to Related Claims, being claims 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.
33. While "the issue [of non-party stay orders] is not free from doubt", as Chief Justice Morawetz noted in both the *BBB* and *Nordstrom* decisions, he ultimately granted a stay in favour of certain non-applicant guarantors on an initial CCAA application, notwithstanding the language of section 11.04.
34. It is not in the best interests of the Applicants' stakeholders or the administration of justice for the Additional Stay Parties to be forced to respond to uncoordinated actions in respect of their purported guarantees of the very indebtedness that the Applicants are attempting to restructure under the CCAA. The Non-Applicant Stay is consistent with the "single-proceeding model" that favours the resolution of

claims within a CCAA process and avoids the "inefficiencies and chaos" that could otherwise result from uncoordinated attempts at recovery. See *Century Services*, at para 59.

35. This is an order that is within the discretion of the court to make when it is considered just and convenient to do so, and I find it to be so in this case. This jurisdiction is derived from s. 11 of the CCAA and further embodied in section 106 of the *Court of Justice Act*, R.S.O. 1990, c. C.43
36. The plaintiffs and potential plaintiffs should only be minimally prejudiced by this temporary stay, which does not settle their actions or provide any release of claims against the Additional Stay Parties. If, however, there are objections to this continuing after the Initial Stay Period, those can be addressed at the come-back hearing.

c) The Appointment of Lender Representative Counsel

37. There are over 300 individual Lenders to the Applicants under approximately 390 First Mortgage Loans, 121 Second Mortgage Loans and 802 Promissory Notes. The Lenders are predominantly individual real estate investors. The Applicants seek the appointment of Chaitons LLP as Lender Representative Counsel. If appointed, Lender Representative Counsel may identify up to six Lenders to be nominated as Court-appointed representatives (the "Lender Representatives") to advise and, where appropriate, instruct Lender Representative Counsel. Lenders who do not opt-out of Lender Representative Counsel's representation pursuant to the Initial Order would be bound by the actions of the Lender Representative Counsel and the Lender Representatives, if any.
38. These Lenders are vulnerable stakeholders and creditors of the Applicants because there are so many of them and their individual claims may not each be material in the context of this CCAA, but are no doubt important to them given that they are mostly individuals (or private holding companies). The cost to them individually to retain counsel and obtain legal advice about these CCAA proceedings could be cost-prohibitive and the Applicants, the Monitor and the court will all be greatly assisted by the streamlining of positions that will be accomplished through the involvement of representative counsel.
39. Chaitons LLP, the proposed Lender Representative Counsel, is very experienced in this area and I have every confidence in their qualifications. These are among the relevant factors that I have considered in reaching the conclusion that the court should exercise its broad discretion under Section 11 of the CCAA and the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, to appoint representative counsel for the Lenders in this case. See for example, *Canwest Publishing Inc.*, 2010 ONSC 1328 at para 21.
40. The only hesitation that I had was about whether the appointment of Lender Representative Counsel is needed and warranted at this Initial Order stage and whether it was fair to appoint the Representative Counsel that had been proposed by the Applicants without affording the Lenders to choose their own counsel. However, having heard and further considered the submissions of counsel for the Applicants, the proposed Lender Representative Counsel and the proposed Monitor, I am satisfied that an appointment is appropriate at this early stage, specifically to assist in the transmission of information and preliminary advice to the Lenders in advance of the come-back hearing which the proposed Lenders Representative Counsel will take on the responsibility for doing, including at a virtual town hall meeting (without the Applicants) that they plan to hold early next week.
41. The proposed Monitor is of the view that appointing representative counsel for the Lenders at the outset of these proceedings will also enable the Monitor to immediately put in place an efficient and effective communication plan, provide a single means through which the inquiries and concerns of hundreds of Lenders can be addressed and facilitate the efficient administration of these proceedings. In the proposed Monitor's view, it is important that representative counsel for the Lenders be appointed at the outset of these proceedings rather than at the Comeback Motion due to the volume of inquiries expected to be received in the coming days should the Court grant the Initial Order.
42. Counsel have helpfully referred me to some other cases in which representative counsel were appointed at the time of the Initial Order in CCAA restructurings, for example: *Law Society of Ontario v Derek*

Sorrenti and Sorrenti Law Professional Corporation, Nordstrom Canada Retail, Inc., 2023 ONSC 1422 and Target Canada Co. (Re), 2015 ONSC 303.

43. I take further comfort in the fact that any Lenders that do not wish to be represented may opt-out in accordance with the Initial Order. They also have full come-back rights in respect of this appointment so it is not set in stone.
44. I am satisfied that this relief is necessary and appropriate in the circumstances.
45. Counsel have advised that the specific paragraphs of the Initial Order dealing with this are taken from precedents in other cases in which representative counsel have been granted, tailored to the circumstances of this case.

d) The Administration Charge

46. The Applicants are seeking a Court-ordered charge over the Applicants' Property in the amount of $750,000 to secure the professional fees and disbursements of the Proposed Monitor, along with counsel to the Proposed Monitor and the Applicants, and the Lender Representative Counsel at their standard rates and charges, incurred prior and subsequent to the granting of the Initial Order (the "Administration Charge").
47. Section 11.52 of the CCAA vests this Court with jurisdiction to grant an administration charge on notice to the secured creditors likely to be affected thereby in favour of, among others, a Court-appointed monitor, its legal advisors and any legal experts engaged by the debtor company. This Court has recognized that it is essential to the success of any CCAA restructuring "to order a super-priority in respect of charges securing professional fees and disbursements". See *US Steel Canada Inc (Re)*, 2014 ONSC 6145, at paras. 20 and 22. See also *Laurentian University of Sudbury*, 2021 ONSC 659, at paras. 49-50 and *Re Lydian International Limited*, 2019 ONSC 7473, at para. 28.
48. The Administration Charge reflects an estimate of fees for professionals whose services will be essential to the Applicants' restructuring efforts. Some of the beneficiaries of the Administration Charge have already engaged in a significant amount of work in connection with this CCAA application, and are expected to continue to provide restructuring and insolvency advice, developing a restructuring plan, preparing the Cash Flow Statement, and negotiating the DIP Term Sheet. The professionals will continue to play a key role in advancing the CCAA proceedings. Certain beneficiaries of the Administration Charge have modest retainers and significant arrears and the Applicants have no other means of retaining the beneficiaries of the Administration Charge, and each beneficiary is performing distinct functions in these CCAA proceedings to assist the Applicants with continuing and operating the Business in the ordinary course.
49. At this time there is no DIP financing and the Applicants have no cash flow with which to pay these professionals, so they require the Administration Charge as security for future payment of their fees and disbursements that will continue to accrue over the next ten days during the Initial Stay Period.
50. The Proposed Monitor has reviewed the past and projected fees of these professionals over the Initial Stay Period and considers the Administration Charge of $750,000 to be reasonable and proportionate. It is approved.

Order

51. For the foregoing reasons, I have signed the form of Initial Order submitted to the court today. Aside from the specific points discussed above, the draft order is for the most part consistent with the form of Commercial List model order, with some changes that have becomes standard and accepted in these types of orders and some changes made to reflect the specific nature of the Business and the Applicants (for example, the Initial Order does require the co-operation of the loan originators to ensure that the Lenders all receive the CCAA materials and that the Lender Representative Counsel can communicate with them).
52. The comeback hearing has been scheduled before me on January 31, 2024 at 9:30 a.m.

KIMMEL J.

TAB C

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Letter of Intent

Between:

Secured Investment Inc. (the "**Purchaser**")
and
The Lender Representatives in the CCAA proceeding of *Balboa* (the "**Lender Committee"**)
and
The Applicant corporations in the CCAA proceeding of *Balboa* (the "**Borrowers**")

Recitals:

A. The Borrowers have legal title to 406 real properties (the "**Properties**").

B. Approximately 200 individuals made hundreds of loans secured on the Properties (the "**Secured Lenders**").

C. The Lender Committee has the legal authority to consider and accept any offer concerning the Properties on behalf of the Secured Lenders.

D. Prior to January 22, 2024, as individuals, the Secured Lenders advanced a total of **$74 million** to the Borrowers (the "**Secured Payments**"). The Borrowers owe the Secured Lenders an additional **$20 million** in accrued interest and other fees. Any money advanced in respect of a secured loan by the Applicants, principals of the Applicants, Claire Drage or affiliates shall not be considered as a Secured Payment.

E. Prior to January 22, 2024, approximately 100 individuals made hundreds of unsecured loans to the Borrowers (the "**Unsecured Lenders**"), advancing a total of **$40 million** (the "**Promissory Note Payments**"). The Borrowers owe the Unsecured Lenders an additional **$10 million** in accrued interest and other

fees. Any money advanced in respect of a promissory note by the Applicants, principals of the Applicants, Claire Drage or affiliates shall not be considered as a Promissory Note Payment.

F. The Secured Lenders and the Unsecured Lenders are shareholders of the Purchaser.

G. In consideration of the Secured Payments and the Promissory Note Payments, the Borrowers agree to sell the Properties to the Purchaser.

H. The purchase price is equivalent to the Secured Payments plus 5% of the Promissory Note Payments (the "**Purchase Price**").

I. Under no circumstance shall the Applicants, principals of the Applicants, Claire Drage or affiliates be issued shares of the Purchaser.

J. The Purchaser has access to **$35 million** if and when a cash injection is necessary to support operations on the Closing Date.

K. This is a legally non-binding letter of intent.

The parties agree to cooperate to cause the following to occur and to cooperate in a draft court order:

1. Joint application to the court in *Balboa* to transfer title of the 406 properties into the name of Secured Investment Inc.
2. Upon acceptance of this offer by the court, the Monitor in *Balboa* shall replace the Borrowers property management and renovations companies with those acceptable to the Purchaser.
3. The Closing Date shall be 30 days from the acceptance of this offer.

END OF DOCUMENT

TAB D

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

1000027984 ONTARIO LIMITED as of June 18, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1000027984 ONTARIO LIMITED
Ontario Corporation Number (OCN)	1000027984
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 16, 2021
Registered or Head Office Address	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	ROBERT G. HANSEN
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Active Officer(s)

Name	ROBERT G. HANSEN
Position	President
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Position	Secretary
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Position	Treasurer
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Corporate Name History

Name	1000027984 ONTARIO LIMITED
Effective Date	November 16, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
Annual Return - 2023 PAF: ROBERT G. HANSEN	June 11, 2024
CIA - Initial Return PAF: Rob HANSEN	January 14, 2022
CIA - Initial Return PAF: Robert G. HANSEN	December 21, 2021
BCA - Articles of Incorporation	November 16, 2021

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

TAB E

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario, M5X 1A4 Canada
T: 416.863.1200
F: 416.863.1716

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

May 8, 2024

Sent Via E-Mail

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre
40 Temperance Street
Toronto, Ontario
M5H 0B4

Attention: Ryan Jacobs and Shayne Kukulowicz

KSV Restructuring Inc.
220 Bay Street, 13th Floor
P.O. Box 20
Toronto, Ontario
M5J 2W4

Attention: Noah Goldstein and David Sieradzki

Dear Sirs:

Re: ***In the Matter of a Plan of Compromise or Arrangement of Balboa Inc. et al.*** **– Court File No.: CV-24-00713245-00CL**

As you know, we are the lawyers for Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc., and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). All capitalized terms used but not defined herein have the meaning ascribed to them in the initial order granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 23, 2024 (as amended, and amended and restated, the "**Initial Order**").

We write to apprise the Monitor of the Applicants' concerns regarding Matthew Tatomir's ("**Mr. Tatomir**") appointment as a Secured Lender Representative and conduct in the CCAA Proceedings, and to request that the Monitor make certain inquiries with respect thereto.

As you may recall, the Monitor was introduced to Matt Campbell ("**Mr. Campbell**") of George Street Law Group LLP ("**GSLG**"), in his capacity as counsel to Mr. Tatomir on January 25, 2024 via email (the "**January 25 Email**"). At that time, the Applicants believed that Mr. Tatomir was a Secured Lender of Interlude Inc., with first mortgages on properties located at 348 Poplar Street, Sudbury, Ontario, and 536 Montague Avenue, Sudbury, Ontario (together, the "**Subject Properties**").[1] Mr. Campbell then made requests of the Monitor in response to the January 25 Email on that same date and on January 26, 2024, copying Mr. Tatomir and Samuel Nash ("**Mr.**

[1] The Applicants' belief in this regard was informed by a Mortgage/Loan Commitment executed by Mr. Tatomir on August 18, 2023, on behalf of 951393 Ontario Inc., which Mortgage/Loan Commitment provided Mr. Tatomir with a referral fee of $4,830 and indicated that the mortgage may be assigned to other investors prior to closing (and evidently was).

Nash") of GSLG. On January 26, 2024, Mr. Campbell, again copying Mr. Tatomir and Mr. Nash, also advised the Monitor via email that they would attend the lender town hall meeting scheduled on January 29, 2024.

On January 30, 2024 – the day before the Applicants' comeback motion – GSLG served a Notice of Appearance and the Affidavit of Patty Vanminnen ("**Ms. Vanminnen**") sworn that same date on the service list in the CCAA Proceedings (together, the "**Responding Materials**"). The Responding Materials made clear that Mr. Nash was counsel to Ms. Vanminnen and 1000027984 Ontario Limited, the mortgagees of the Subject Properties. No reference to Mr. Tatomir appeared within the Responding Materials and, as is reflected in the corporate profile report attached hereto as **Schedule "A"**, Mr. Tatomir is neither a director nor officer of 1000027984 Ontario Limited. Sub-searches of title conducted on May 6, 2024 and attached hereto as **Schedule "B"** confirm that Ms. Vanminnen and 1000027984 Ontario Limited remain the mortgagees of the Subject Properties. As you know, the objections raised by GSLG had significant impacts on the Applicants and the CCAA Proceedings.

Notwithstanding that he did not appear to be a Secured Lender or the principal thereof at the time, Mr. Tatomir was selected as a Secured Lender Representative by the Secured Lender Representative Counsel on or before February 13, 2024. Shortly following their selection and prior to the appointment of the Unsecured Lender Representative Counsel, the Secured Lender Representatives submitted a letter of intent (the "**Secured Lender Representatives' LOI**"). As you are aware, the Secured Lender Representatives' LOI contemplated the Applicants' divesture of all of their owned real property to a purchaser to be owned by certain of the Secured Lenders and the Unsecured Lenders (excluding the Applicants' largest unsecured lender), for a purchase price intended to reflect (i) the principal amount advanced under the Applicants' first mortgage loans and second mortgage loans, and (ii) 5% of the principal advanced under the Applicants' unsecured promissory notes.

Since the commencement of the Applicants' Court-approved sale, refinancing and investment solicitation process (the "**SISP**"), the Applicants have been advised by multiple sources that Mr. Tatomir has, among other things, been hosting frequent meetings of Secured Lenders whereat he and others:

(a) have disseminated false, misleading and/or disparaging information concerning the Applicants, the Business, the Property and the Applicants' principals; and

(b) have been urging Secured Lenders to support a transaction that would have devastating results for the Applicants' unsecured lenders, among others, all to the benefit of Mr. Tatomir.

The Applicants are concerned that Mr. Tatomir has sought, and continues to seek, to impede the CCAA Proceedings and the Applicants' restructuring efforts. Moreover, the Applicants are concerned that Mr. Tatomir is abusing his position as a Secured Lender Representative to influence the SISP and its outcome in order to acquire the Property at a significant discount, to the detriment of the Applicants and their stakeholders. This is all particularly concerning given that the Secured Lender Representative Counsel previously confirmed to the Monitor and the Applicants' counsel that "[e]ach of the Lender Representatives has confirmed to me independently that they will not

be submitting a bid directly or indirectly as part of a SISP." The Applicants note that Cameron Topp resigned from his role as a Secured Lender Representative shortly before the SISP was approved, perhaps to assist Mr. Tatomir without the restrictions that attend being a Secured Lender Representative.

In light of the risks posed to the Applicants and their stakeholders, the Applicants respectfully request that the Monitor make inquiries to determine whether Mr. Tatomir is currently a Secured Lender, and if so, precisely when Mr. Tatomir became a Secured Lender. To the extent that Mr. Tatomir is not a Secured Lender or only became a Secured Lender following his appointment as a Secured Lender Representative, the Applicants respectfully request that the Monitor take steps to cause Mr. Tatomir to be removed as a Secured Lender Representative forthwith. We also urge the Monitor to investigate the other concerns raised herein in order to ensure the integrity of the SISP for the benefit of all of the Applicants' stakeholders.

We look forward to receiving timely responses to the Applicants' requests. Please do not hesitate to contact us should you require any further information or if you would like to discuss this letter.

Yours truly,

BENNETT JONES LLP

Sean Zweig

Sean Zweig

c: Joshua Foster, Alex Payne and Thomas Gray (Bennett Jones LLP)
Mario Forte (Goldman Sloan Nash & Haber LLP)
Jennifer Stam (Norton Rose Fullbright Canada LLP)

SCHEDULE "A"

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

1000027984 ONTARIO LIMITED as of May 06, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1000027984 ONTARIO LIMITED
Ontario Corporation Number (OCN)	1000027984
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 16, 2021
Registered or Head Office Address	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	ROBERT G. HANSEN
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Name	ROBERT G HANSEN
Address for Service	1765 Cottonwood, Kingsville, Ontario, N9Y 2W2, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Name	MONICA SHARTNER-HANSEN
Address for Service	1765 Cottonwood, Kingsville, Ontario, N9Y 2W2, Canada
Resident Canadian	Yes
Date Began	November 16, 2021

Active Officer(s)

Name	ROB HANSEN
Position	President
Address for Service	1765 Cottonwood, Kingsville, Ontario, N9Y 2W2, Canada
Date Began	November 16, 2021

Name	ROBERT G. HANSEN
Position	President
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Position	Secretary
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Name	MONICA E. SCHARTNER-HANSEN
Position	Treasurer
Address for Service	1930 Seacliff Drive, Kingsville, Ontario, N9Y 2N1, Canada
Date Began	November 16, 2021

Corporate Name History

Name	1000027984 ONTARIO LIMITED
Effective Date	November 16, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Document List

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CIA - Initial Return PAF: Robert G. HANSEN	December 21, 2021
BCA - Articles of Incorporation	November 16, 2021

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SCHEDULE "B"

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 11123 SEC SES LOT 99, PLAN M26 CITY OF SUDBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1993/04/05

OWNERS' NAMES
INTERLUDE INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1993/04/05 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1993/04/05						
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1993/01/31 ***						
~~LT83717~~	~~1951/03/08~~	~~TRANSFER~~		~~*** COMPLETELY DELETED ***~~	~~STEWART, DUNCAN~~ ~~STEWART, EDNA~~	
~~LT168546~~	~~1960/11/16~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	~~CLARK, JOAN~~	
~~LT973838~~	~~2004/06/11~~	~~TRANSMISSION-LAND~~		~~*** COMPLETELY DELETED ***~~ ~~STEWART, EDNA~~ ~~STEWART, DUNCAN~~	~~LAFLEUR, SHEILA~~ ~~STEWART, EDNA - ESTATE~~	
~~LT973839~~	~~2004/06/11~~	~~TRANS PERSONAL REP~~		~~*** COMPLETELY DELETED ***~~ ~~LAFLEUR, SHEILA~~ ~~STEWART, EDNA - ESTATE~~	~~VAN BEEK, RONALD LAWRENCE~~ ~~VAN BEEK, DARRYL RONALD HENDRIK~~	
~~LT973840~~	~~2004/06/11~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~VAN BEEK, RONALD LAWRENCE~~ ~~VAN BEEK, DARRYL RONALD HENDRIK~~	~~CAISSE POPULAIRE ST. CHARLES BORROMEE LTEE.~~	
~~LT977451~~	~~2004/07/27~~	~~APL (GENERAL)~~		~~*** COMPLETELY DELETED ***~~ ~~LAFLEUR, SHEILA~~ ~~STEWART, EDNA -ESTATE~~		
~~*REMARKS: DELETE LT168546*~~						
~~SD58715~~	~~2006/09/01~~	~~TRANSFER~~		~~*** COMPLETELY DELETED ***~~ ~~VAN BEEK, DARRYL RONALD HENDRIK~~ ~~VAN BEEK, RONALD LAWRENCE~~	~~KUCHMA, AARON~~	
~~SD58716~~	~~2006/09/01~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				KUCHMA, AARON	ROYAL BANK OF CANADA	
SD59193	2006/09/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAISSE POPULAIRE ST. CHARLES BORROMEE LTEE.		
	REMARKS: RE: LT973840					
SD204476	2011/07/26	LIEN		*** COMPLETELY DELETED *** LEGAL AID ONTARIO		
SD205295	2011/08/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** LEGAL AID ONTARIO		
	REMARKS: SD204476.					
SD206551	2011/08/19	TRANSFER		*** COMPLETELY DELETED *** KUCHMA, AARON	BROSSEAU, DEBBIE ROCHETTE, DENIS	
SD208756	2011/09/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: SD58716.					
SD413839	2021/02/01	TRANSFER	$100,000	BROSSEAU, DEBBIE ROCHETTE, DENIS	INTERLUDE INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
SD413840	2021/02/01	CHARGE		*** COMPLETELY DELETED *** INTERLUDE INC.	WINTER, ARNOLD	
SD413841	2021/02/01	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** INTERLUDE INC.	WINTER, ARNOLD	
	REMARKS: SD413840					
SD460559	2022/09/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** WINTER, ARNOLD		
	REMARKS: SD413840.					
SD475659	2023/05/16	CHARGE	$227,500	INTERLUDE INC.	VANMINNEN, PATTY 1000027984 ONTARIO LIMITED	C
SD475660	2023/05/16	NO ASSGN RENT GEN		INTERLUDE INC.	VANMINNEN, PATTY 1000027984 ONTARIO LIMITED	C
	REMARKS: SD475659					

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 5590 SEC SES LT 120 PLAN M100 CITY OF SUDBURY

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1993/04/05

OWNERS' NAMES
INTERLUDE INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1993/04/05 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1993/04/05						
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1993/02/22 ***						
~~LT577197~~	~~1986/05/27~~	~~TRANSFER~~		~~*** COMPLETELY DELETED ***~~	~~CORMIER, HERMAN JOSEPH~~ ~~CORMIER, JANICE FAY~~	
~~LT577198~~	~~1986/05/27~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	~~SUDBURY NORTH CREDIT UNION LIMITED~~	
~~LT609125~~	~~1987/10/01~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	~~SUDBURY NORTH CREDIT UNION LIMITED~~	
	~~*REMARKS: TRANSFERRED UNDER 640510*~~					
~~LT640510~~	~~1989/01/17~~	~~TRANSFER OF CHARGE~~		~~*** DELETED AGAINST THIS PROPERTY ***~~	~~NICKEL CENTRE CREDIT UNION LIMITED~~	
	~~*REMARKS: 583343 583343 IS INCORRECT,AND SHOULD READ LT603123*~~					
~~LT734926~~	~~1992/06/09~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	~~NICKEL CENTRE CREDIT UNION LIMITED~~	
~~LT823439~~	~~1996/04/30~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~CORMIER, HERMAN JOSEPH~~ ~~CORMIER, JANICE FAY~~ ~~CORMIER, HERMAN~~	~~NICKEL CENTRE CREDIT UNION LIMITED~~	
	~~*REMARKS: A.O.L*~~					
~~LT824226~~	~~1996/05/14~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~NICKEL CENTRE CREDIT UNION LIMITED~~		
	~~*REMARKS: RE: LT609125*~~					
~~LT824227~~	~~1996/05/14~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				NICKEL CENTRE CREDIT UNION LIMITED		
	REMARKS: RE: LT734926					
LT824661	1996/05/23	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				DEPOSIT INSURANCE CORPORATION OFONTARIO/SOCIETE ONTARIENNE		
				D'ASSURANCE-DEPOTS		
	REMARKS: RE: LT577198					
LT836747	1996/11/29	CHARGE		*** COMPLETELY DELETED ***		
				CORMIER, HERMAN JOSEPH	CAISSE POPULAIRE STE. ANNE DE SUDBURY LIMITEE	
				CORMIER, JANICE FAY		
LT836748	1996/11/29	CHARGE		*** COMPLETELY DELETED ***		
				CORMIER, HERMAN JOSEPH	CAISSE POPULAIRE STE. ANNE DE SUDBURY LIMITEE	
				CORMIER, JANICE FAY		
LT837205	1996/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				NICKEL CENTRE CREDIT UNION LIMITED		
	REMARKS: RE: LT823439					
SD165022	2010/01/28	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				CAISSE POPULAIRE DES VOYAGEURS INC.		
	REMARKS: LT836747.					
SD192334	2011/02/08	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				CAISSE POPULAIRE DES VOYAGEURS INC.		
	REMARKS: LT836748.					
SD197842	2011/05/05	TRANSFER		*** COMPLETELY DELETED ***		
				CORMIER, HERMAN JOSEPH	SWITZER, DANNY	
				CORMIER, JANICE FAY	SWITZER, YVONNE EMILY MARIE	
	REMARKS: PLANNING ACT STATEMENTS					
SD203730	2011/07/15	TRANSFER		*** COMPLETELY DELETED ***		
				SWITZER, DANNY	MANCHULENKO, STEVEN WILLIAM	
				SWITZER, YVONNE EMILY MARIE		
	REMARKS: PLANNING ACT STATEMENTS					
SD203733	2011/07/15	CHARGE		*** DELETED AGAINST THIS PROPERTY ***		
				MANCHULENKO, STEVEN WILLIAM	SWITZER, DANNY	
					SWITZER, YVONNE EMILY MARIE	
SD222264	2012/03/29	LIEN		*** COMPLETELY DELETED ***		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	REMARKS: INCOME TAX ACT					
SD286006	2014/12/05	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				SWITZER, DANNY		
				SWITZER, YVONNE EMILY MARIE		
	REMARKS: SD203733.					
SD286007	2014/12/05	TRANSFER		*** COMPLETELY DELETED ***		
				MANCHULENKO, STEVEN WILLIAM	2367118 ONTARIO LIMITED	
	REMARKS: PLANNING ACT STATEMENTS.					
SD286008	2014/12/05	CHARGE		*** COMPLETELY DELETED ***		
				2367118 ONTARIO LIMITED	SWITZER, DANNY	
					SWITZER, YVONNE EMILY MARIE	
SD286026	2014/12/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***		
				2367118 ONTARIO LIMITED	SWITZER, DANNY	
					SWITZER, YVONNE EMILY MARIE	
	REMARKS: SD286008.					
SD286228	2014/12/10	DISCHARGE INTEREST		*** COMPLETELY DELETED ***		
				HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	REMARKS: SD222264.					
SD415828	2021/02/26	TRANSFER		*** COMPLETELY DELETED ***		
				2367118 ONTARIO LIMITED	INTERLUDE INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
SD415829	2021/02/26	CHARGE		*** COMPLETELY DELETED ***		
				INTERLUDE INC.	A & A EQUITY FORT INC.	
SD415830	2021/02/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***		
				INTERLUDE INC.	A & A EQUITY FORT INC.	
	REMARKS: SD415829.					
SD415840	2021/03/01	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				SWITZER, DANNY		
				SWITZER, YVONNE EMILY MARIE		
	REMARKS: SD286008.					

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD475657	2023/05/16	CHARGE	$255,500	INTERLUDE INC.	VANMINNEN, PATTY 1000027984 ONTARIO LIMITED	C
SD475658	2023/05/16	NO ASSGN RENT GEN		INTERLUDE INC.	VANMINNEN, PATTY 1000027984 ONTARIO LIMITED	C
	REMARKS: SD475657					
~~SD475678~~	~~2023/05/16~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~A & A EQUITY FORT INC.~~		
	~~REMARKS: SD415829.~~					
~~SD484264~~	~~2023/09/25~~	~~TRANSFER~~		~~*** COMPLETELY DELETED ***~~ ~~INTERLUDE INC.~~	OLD THING BACK INC.	
SD490686	2024/01/15	TRANSFER	$2	OLD THING BACK INC.	INTERLUDE INC.	C

TAB F

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

CONSENT

TO: 1000027984 ONTARIO LIMITED

The undersigned, in accordance with the provisions of the Business Corporations Act (Ontario) (the "Act") hereby;

1) consents to act as Director of the Corporation following his/her election or appointment as Director of the Corporation;

2) acknowledges and declares that:
   a) I am a resident Canadian;
   b) I am not under 18 years of age; and
   c) I am not an undischarged bankrupt;

3) undertakes to advise the Corporation in writing forthwith after any change in citizenship, residence or status of lawful admission for permanent residence;

4) consents to the participation by any Director in a meeting of the Board of Directors or of the executive committee thereof by means of conference telephone or other communication s equipment by means of which all persons participating in the meeting can hear each other;

5) acknowledges that the Corporation will rely upon the foregoing consents, declarations and undertakings for the purpose of ensuring compliance by the Corporation with the provisions of the Act.

DATED the 16 day of February, 2023.

_____

Matt Tatomir

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

1000027984 ONTARIO LIMITED
(the "Corporation")

RESOLUTION GRANTING SIGNING AUTHORITY

WHEREAS, the Corporation desires to grant signing authority to MATT TATOMIR.

THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorize and approve MATT TATOMIR as the signing officer of the Corporation.

The foregoing signing authority granted shall include, but shall not be limited to, the execution of deeds, powers of attorney, transfers, assignments, contracts, obligations, certificates, and other instruments of whatever nature entered into by the Corporation.

The undersigned hereby certifies that the Corporation is duly formed pursuant to the laws of the Province of Ontario and that the foregoing is a true record of a resolution duly adopted at a meeting of the directors of the Corporation and that the said meeting was held in accordance with the Bylaws of the Corporation.

THIS resolution is now in full force and effect without modification or rescission.

DATED this 16 day of February, 2023.

Robert Hansen

Monica Schartner-Hansen

RESOLUTIONS OF THE SHAREHOLDERS

OF

1000027984 ONTARIO LIMITED

(the "Corporation")

BE IT RESOLVED THAT:

MATT TATOMIR is hereby elected as director of the Corporation, to hold office at the discretion of the Shareholders.

The shareholders of the Corporation hereby consent in writing to each and every one of the foregoing resolutions pursuant to subsection 104(1) of the *Business Corporations Act* (Ontario).

DATED this 16 day of February, 2023.

Robert Hansen

Monica Schartner-Hansen

TAB G

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 12TH
	)	
JUSTICE CAVANAGH	)	DAY OF APRIL, 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**")

SISP APPROVAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, extending the stay period, approving the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP**"), approving the engagement of the SISP Advisor (as defined below), and granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Robert Clark sworn April 8, 2024 and the Exhibits thereto, the affidavit of Joshua Foster sworn April 11, 2024 and the Exhibits thereto (the "**Foster Affidavit**"), the Third Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated April 9, 2024 (the "**Third Report**"), and such other materials that were filed, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Secured Lender Representative Counsel, 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 Joshua Foster, 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 otherwise defined herein shall have the meanings ascribed to them in the SISP or the Second Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated March 28, 2024, as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including June 24, 2024.

APPROVAL OF THE SISP ADVISORS' ENGAGEMENTS

4. **THIS COURT ORDERS** that the Applicants are hereby authorized to engage Howards Capital Corp. ("**HCC**") and CBRE Limited ("**CBRE**") as advisors (together, the "**SISP Advisors**" and each, a "**SISP Advisor**") pursuant to an engagement agreement between the Applicants and HCC substantially in the form attached to the Foster Affidavit as Exhibit "A" (the "**HCC Engagement Agreement**"), and an engagement agreement between CBRE and the Applicants substantially in the form attached to the Foster Affidavit as Exhibit "B" (the "**CBRE Engagement Agreement**"), respectively. The Applicants are hereby authorized and directed to make the payments contemplated under the HCC Engagement Agreement and the CBRE Engagement Agreement (together, the "**Engagement Agreements**" and each, an "**Engagement Agreement**") when earned and payable in accordance with their respective terms and conditions.

5. **THIS COURT ORDERS** that the SISP Advisors and their respective controlling persons, shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either HCC's or CBRE's

engagement by the Applicants as SISP Advisors or any matter referred to in the Engagement Agreements, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the applicable SISP Advisor or its controlling person(s), in performing their obligations under the applicable Engagement Agreement.

6. **THIS COURT ORDERS** that no action or Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the SISP Advisors and their respective controlling persons, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the applicable SISP Advisor, or with leave of this Court on notice to the Applicants, the Monitor and the applicable SISP Advisor. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the applicable SISP Advisor at least seven (7) days prior to the return date of any such motion for leave.

7. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the applicable SISP Advisor, each of the SISP Advisors 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 of the Applicants' obligations under the applicable Engagement Agreement.

APPROVAL OF THE SISP

8. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved and the Applicants, the SISP Advisors and the Monitor, are authorized and directed to carry out the SISP in accordance with its terms and the terms of this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

9. **THIS COURT ORDERS** that the Applicants, the SISP Advisors and 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 their

duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants, the SISP Advisors or the Monitor, as applicable, as determined by this Court in a final order that is not subject to appeal or review.

10. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order or in the SISP, neither the SISP Advisors nor the Monitor shall take Possession of the Business or the Property or be deemed to take Possession of the Business or the Property, including pursuant to any provision of the Environmental Legislation.

PIPEDA

11. **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 Applicants, the SISP Advisors, the Monitor and each of their respective advisors are hereby authorized and permitted to disclose and transfer to each Potential Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each Potential Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicants, the SISP Advisors or the Monitor, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicants, the SISP Advisors or the Monitor. Any successful bidder shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the applicable successful bid, shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, the SISP Advisors or the Monitor or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants, the SISP Advisors or the Monitor.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

12. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated January 23, 2024, the First Report of 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 Third 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, as set out in the Third Report, be and are hereby approved.

SEALING

14. **THIS COURT ORDERS** that the unredacted copy of the CBRE Engagement Agreement attached as confidential Exhibit "C" to the Foster Affidavit is hereby sealed and shall not form part of the Court record, subject to further order of this Court.

GENERAL

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

16. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the SISP at any time.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other foreign jurisdiction, 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.

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

Digitally signed by
Mr. Justice Cavanagh

SCHEDULE "A"

SISP

SALE, REFINANCING AND INVESTMENT SOLICITATION PROCESS FOR THE PROPERTY OR BUSINESS 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.

1. On January 23, 2024, Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") were granted an initial order (as amended, and amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Among other things, the Initial Order:

    (a) appointed KSV Restructuring Inc. as the Monitor in the Applicants' proceedings under the CCAA (in such capacity, the "**Monitor**");

    (b) approved the Applicants' ability to borrow under a debtor-in-possession credit facility pursuant to a DIP Agreement dated January 26, 2024 between the Applicants and Harbour Mortgage Corp. or its permitted assignee (the "**DIP Lender**");

    (c) appointed Chaitons LLP as representative counsel (in such capacity, the "**Secured Lender Representative Counsel**") for all of the Secured Lenders in the Insolvency Proceedings; and

    (d) appointed Goldman Sloan Nash & Harber LLP as representative counsel (in such capacity, the "**Unsecured Lender Representative Counsel**") for all of the Unsecured Lenders in the Insolvency Proceedings.

2. On April 12, 2024 the Court granted an order (the "**SISP Approval Order**") that, among other things: (i) authorized the Applicants to implement and undertake a sale, refinancing and investment solicitation process ("**SISP**") in accordance with the terms hereof; and (ii) approved the Applicants' retention of the SISP Advisor (as defined below) in connection therewith.

3. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the Initial Order or the SISP Approval Order, as applicable. Copies of the Initial Order and the SISP Approval Order can be found at the following website maintained by the Monitor: https://www.ksvadvisory.com/experience/case/SID (the "**Monitor's Website**").

The Opportunity

4. This SISP sets out the manner in which the Monitor, with the assistance of the SISP Advisors (as defined below), and in consultation with the Applicants, shall solicit non-binding letters of intent ("**LOIs**" and each, a "**LOI**") for a refinancing, sale and/or other strategic investment or transaction involving the business, assets and/or equity of the Applicants (collectively, the "**Property**") or any part thereof from interested parties (the "**Opportunity**").

5. The SISP contemplates a two-stage process that involves the submission by interested parties of LOIs in Phase 1 and the submission of binding offers in Phase 2. This SISP currently only prescribes the process for the submission of LOIs in Phase 1. The parameters for the submission

and evaluation of binding offers in Phase 2 shall be determined and communicated to the applicable interested parties following the completion of Phase 1, as detailed below.

6. The SISP shall be conducted in all respects by the Monitor, supported by and with the assistance of the SISP Advisors and, subject to para 13, in consultation with the Applicants, Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and The Fuller Landau Group Inc. in its capacity as court-appointed receiver and trustee in bankruptcy of The Lion's Share Group Inc. (in such capacity, the "**Lion's Share Representative**"). In connection therewith, the Monitor with the assistance of the applicable SISP Advisors, and in consultation with the Applicants, may identify one or more subsets of the Property to be marketed pursuant to the SISP for a refinancing, sale or other strategic investment or transaction while concurrently marketing the remainder or whole of the Property for a refinancing, sale or other strategic investment or transaction. Interested parties may submit LOIs for any subset of the Property, whether or not such Property is specifically marketed by the applicable SISP Advisors.

7. Parties who wish to have their offers for the Property considered must participate in the SISP.

SISP Advisors

8. In connection with the SISP, the Applicants have retained: (i) Howards Capital Corp. to assist solely in respect of any refinancing of or other strategic investment in the Property, and (ii) CBRE Limited solely in respect of any sale transaction(s) in respect of the Property (in such capacities, collectively the "**SISP Advisors**"). At the appropriate stage of the SISP, the SISP Advisors, as applicable, with the consent of the Monitor and in consultation with the Applicants, are authorized to engage one or more local real estate agents or brokerages to market the Property or any subsets of the Property.

Milestones

9. The SISP shall be conducted subject to the terms hereof and the following key milestones, which milestones may be extended by the Monitor, with the prior consent of the Applicants, in consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, or as may otherwise be ordered by the Court:

   (a) the SISP Advisors will each independently prepare and deliver to the Monitor a list of potential interested parties to be solicited (collectively, the "**Known Potential Bidders**") as soon as reasonably practicable after the granting of the SISP Approval Order and, in any event, by no later than April 26, 2024. The SISP Advisors shall include as Known Potential Bidders any parties suggested by the Monitor, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative;

   (b) the SISP Advisors will commence the solicitation process to all Known Potential Bidders by no later than April 29, 2024, it being understood that the SISP Advisors shall be at liberty to provide marketing materials approved by the Monitor and commence discussions with interested parties (with the involvement of the Monitor) prior to such date;

   (c) the Monitor, with the assistance of the Applicants and the SISP Advisors, shall establish a virtual data room (the "**VDR**") by no later than April 28, 2024; and

(d) non-binding LOIs shall be submitted by no later than 5:00 p.m. (Toronto time) on June 10, 2024 (the "**LOI Deadline**").

10. The timing and certain other parameters for Phase 2 of the SISP shall be determined following a review of the non-binding LOIs submitted by the LOI Deadline as detailed in sections 15-18 below.

Solicitation of Interest

11. The Monitor, through the SISP Advisors, will:

(a) disseminate marketing materials and a process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to all of the Known Potential Bidders, and any other party who contacts the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative, or who the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel or the Lion's Share Representative become aware may have an interest in the Opportunity (collectively, "**Other Interested Parties**");

(b) solicit interest from all of the Known Potential Bidders and Other Interested Parties with a view to such parties entering into non-disclosure agreements in form and substance satisfactory to the Applicants and the Monitor (each an "**NDA**") (only Known Potential Bidders and Other Interested Parties that execute an NDA shall be deemed to be potential bidders in the SISP (each, a "**Potential Bidder**") and obtain access to the VDR);

(c) provide each Potential Bidder with: (i) a confidential information memorandum in respect of the Opportunity; and (ii) access to the VDR containing diligence information in respect of the Opportunity and such other diligence opportunities as the Monitor or SISP Advisors consider advisable or appropriate; and

(d) request that each Potential Bidder submit a non-binding LOI that meets the requirements set forth in Section 12 below by the LOI Deadline.

Phase 1

12. Any Potential Bidder who wishes to submit a non-binding LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Monitor, in consultation with the SISP Advisors and Applicants, may waive strict compliance with any one or more of the requirements specified below) (each such LOI, a "**Qualified LOI**"):

(a) it sets forth the identity of the Potential Bidder, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the Potential Bidder's wherewithal to complete a refinancing, sale or other strategic investment or transaction pursuant to the SISP;

(b) it sets forth the principal terms of the proposed refinancing, sale or other strategic investment or transaction (the "**Transaction**"), including:

(i) the structure, financing and nature of the Transaction (refinancing, recapitalization, reorganization, sale, investment, etc.), including, without limitation, the sources of financing for the purchase price;

(ii) whether all or a specifically identified subset of the Property will be subject to the Transaction (and if applicable, whether the specifically identified subset of the Property was marketed pursuant to the SISP or was separately identified by the Potential Bidder);

(iii) the purchase price or other consideration offered in connection with the Transaction, including any material assumed liabilities;

(iv) a description of any conditions or approvals required and any additional due diligence required for the Potential Bidder to make a final binding bid;

(v) all conditions to closing that the Potential Bidder may wish to impose on the closing of the Transaction;

(vi) whether the Potential Bidder requires any services from the Applicants' existing property manager;

(vii) any anticipated corporate, shareholder, internal or regulatory approvals required to close the Transaction and the anticipated timeframe for obtaining such approvals;

(viii) in the case of a restructuring, refinancing or hybrid Transaction, it identifies (A) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Potential Bidder (including the sources of such capital, preliminary evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed Transaction and any related contingencies, as applicable) to be made in the Applicants, (B) the underlying assumptions regarding the *proforma* capital structure, and (C) the consideration to be allocated to the Applicants' stakeholders;

(ix) any other terms or conditions that the Potential Bidder believes are material to the Transaction; and

(x) any other information as may be reasonably requested by the Applicants, the SISP Advisors or the Monitor, in consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative; and

(c) it is received by the Monitor by no later than the LOI Deadline at the email addresses specified on Schedule "A" hereto.

13. Forthwith following the LOI Deadline, the Monitor shall provide copies of all of the LOIs received to the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel, the Lion's Share Representative, and the DIP Lender, provided that the directors and officers of the Applicants (the "**D&Os**"), the Secured Lender Representatives, the Unsecured Lender Representatives, the Lion's Share Representative, and the DIP Lender, respectively, have previously executed an NDA (or are otherwise subject to confidentiality obligations) acceptable to the Applicants and the Monitor and provided written confirmation to the Monitor that they have not and will not directly or indirectly, acting individually or in concert, submit or actively participate as a bidder in an LOI or any other bid in the SISP. The D&Os, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel, the Lion's Share Representative and the DIP Lender shall not be entitled to consultation with respect to the

review of LOIs received by the LOI Deadline or the next steps to be taken in respect of any Qualified LOI in the event that any of the D&Os, the Secured Lender Representatives, the Unsecured Lender Representatives, the Lion's Share Representative, or the DIP Lender, respectively, fail to execute an NDA (or remain subject to confidentiality obligations with the Applicants) or elect to actively participate as a bidder in and/or submit an LOI or any other bid in the SISP. For greater certainty, a Potential Bidder's proposed retention of the Applicants' existing management, 2707793 Ontario Inc. o/a SID Renos and/or SID Management Inc. or any of their directors or officers, as reflected within an LOI, any other bid in the SISP or otherwise, shall not constitute the D&Os' direct or indirect involvement in the submission of or participation as a bidder in such LOI or bid in the SISP and shall not disqualify the D&Os from receiving or reviewing copies of the LOIs or from being consulted with respect to the LOIs or the next steps to be taken in respect of any Qualified LOI. For greater certainty, participation as a bidder for the purpose of this Section shall not include a credit bid of no more than a Secured Lender's individual claim (including principal, interest and any other obligations owing to such Secured Lender), plus any amounts owing in priority thereto, submitted by such Secured Lender pursuant to Section 23.

14. Notwithstanding any other provision of this SISP, the Monitor may take protective measures to limit access to LOIs or the identity of Potential Bidders to safeguard the integrity of the SISP.

Assessment of LOIs and Determination of Phase 2 Parameters

15. Subject to Section 13, the Monitor, the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative (collectively, the "**Reviewing Parties**") shall review the LOIs received, and the Monitor in consultation with the SISP Advisors, the Applicants, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, shall determine which of the LOIs, if any, constitute Qualified LOIs.

16. The Monitor (including through the SISP Advisors) may request clarification from any Potential Bidder that submitted an LOI.

17. Subject to Section 13, following the review and assessment contemplated under Section 15, the Reviewing Parties shall discuss what next steps should be taken in respect of the Qualified LOIs received (if any). Such steps may include, without limitation: (i) pursuing refinancing, sale or hybrid components of any Qualified LOI or collection of Qualified LOIs, including a recombination or reconstitution of subsets of the Property which may create the best opportunity to maximize value for all stakeholders; (ii) coordinating the aggregation of certain or all of the Qualified LOIs; (iii) remarketing certain or all of the Property; (iv) engaging one or more local real estate agents or brokerages to assist in marketing and selling certain or all of the Property; (v) the parameters that will govern the submission of binding offers in Phase 2 of the SISP; and (vi) any auction procedures to be implemented in connection with Phase 2 of the SISP.

18. If no Qualified LOIs have been received or the Monitor determines that no Qualified LOIs are likely to result in a binding offer for the benefit of the Applicants and their stakeholders, the Monitor, with the prior consent of the Applicants or by order of the Court. may terminate the SISP and in such case shall advise all Potential Bidders that submitted an LOI by the LOI Deadline of such termination.

19. Subject to Section 13, if the Reviewing Parties all agree on appropriate parameters for the submission and evaluation of binding offers in Phase 2, those parameters shall be communicated

by the SISP Advisors to parties that submitted Qualified LOIs in binding process letters acceptable to the Reviewing Parties (the "**Process Letters**").

20. The Process Letters may provide for different timing and commercial parameters in respect of different Qualified LOIs based on, among other things, the type of transaction, local market conditions and such other commercial parameters that would reasonably be expected to apply to such a Transaction in the circumstances. Such parameters must provide that any Transaction will be subject to approval by the Court and will be consummated on an "as is, where is" basis without surviving representations, warranties, covenants or indemnities of any kind, nature or description.

21. If the Reviewing Parties cannot agree on (i) whether the SISP should progress to Phase 2 or (ii) appropriate parameters for the submission and evaluation of binding offers in Phase 2, the Monitor shall forthwith bring a motion seeking the Court's advice and directions on same. Unless the Monitor and Applicants consent otherwise after consultation with the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Representative, such motion shall be served and filed by the Monitor within 14 days following the LOI Deadline.

Miscellaneous

22. Any amendments to this SISP may only be made with the consent of all of the Reviewing Parties, or by further order of the Court.

23. Any Secured Lender of the Applicants, and the DIP Lender, each acting on its own behalf, shall have the right to credit bid their secured debt against the assets secured thereby up to the full face value of such Secured Lender's claims, including principal, interest and any other obligations owing to such Secured Lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the Applicants in priority to its secured debt, including any obligations secured by the Charges and allocated to the applicable Property; and (ii) pay appropriate consideration for any assets of the Applicants which are contemplated to be acquired and that are not subject to such Secured Lender's security.

24. Notwithstanding any other provision of this SISP, the Lion's Share Representative shall be entitled to consult with and provide any information it receives to Aird & Berlis LLP, the court appointed representative counsel in The Lion's Share Group Inc.'s receivership proceedings (Court File No CV-24-00717669-00CL), provided that the Lion's Share Representative shall have entered into an NDA with Aird & Berlis LLP that is in form and substance satisfactory to the Applicants and the Monitor prior to sharing any confidential information.

SCHEDULE "A": E-MAIL ADDRESSES FOR DELIVERY OF BIDS

To the Monitor at:

KSV Restructuring Inc., as Monitor of
the Applicants
220 Bay Street
13th Floor, PO Box 20
Toronto, ON, M5J 2W4

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

with a copy to counsel for the Monitor at:

Cassels Brock & Blackwell LLP
Suite 3200
Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Ryan Jacobs / Shayne Kukulowicz/ Joseph Bellissimo
Email: rjacobs@cassels.com / skukulowicz@cassels.com / jbellissimo@cassels.com

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

SISP APPROVAL ORDER

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Thomas Gray (LSO# 82473H)
Tel: (416) 777-7924
Email: grayt@bennettjones.com

Lawyers for the Applicants

TAB H

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-24-00713245-00CL **DATE:** **APRIL 12 2024**

NO. ON LIST: **2**

TITLE OF PROCEEDING: **BALBOA INC. et al**

BEFORE: **JUSTICE CAVANAGH**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig	Bennett Jones LLP Lawyers for the Applicants	zweigs@bennettjones.com
Joshua Foster		fosterj@bennettjones.com
Thomas Gray		grayt@bennettjones.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Adam Erlich	Fuller Landau LLP, receiver of The Lion's Share Group Inc.	aerlich@fullerllp.com
Jennifer Stam	Norton Rose Fulbright Canada LLP, lawyers for The Fuller Landau Group Inc., receiver of The Lion's Share Group Inc.	jennifer.stam@nortonrosefulbright.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
David Sieradzki	KSV Restructuring Inc., the Monitor	dsieradzki@ksvadvisory.com
Shayne Kukulowicz	Cassels Brock & Blackwell LLP,	skukulowicz@cassels.com

	lawyers for the Monitor	
George Benchetrit	Chaitons LLP, the Secured Lender Representative	george@chaitons.com
Jeffrey J. Simpson	Torkin Manes LLP, lawyers for the DIP Lender	jsimpson@torkin.com
Mario Forte Robert Drake	Goldman Sloan Nash & Haber LLP, Unsecured Lender Representative Counsel	forte@gsnh.com drake@gsnh.com
Joseph Bellissimo	Cassels Brock. Counsel for the Monitor, KSV Restructuring Inc.	jbellissimo@cassels.com

---

ENDORSEMENT OF JUSTICE P. CAVANAGH:

1. The Applicants are seeking an order under the *CCAA*, among other things:

    a. extending the Stay of Proceedings (as defined in the motion materials) to and including June 24, 2024;

    b. approving a sale, refinancing and investment solicitation process ("SISP") in the form attached as Schedule "A" to the requested form of Order;

    c. approving the retention of Howards Capital Corp. ("HCC") and CBRE Limited ("CBRE") as advisors to the Applicants (collectively in such capacities, the "SISP Advisors") pursuant to engagement agreements between HCC and the Applicants and CBRE and the Applicants, respectively; and

    d. authorizing and directing the Applicants, the SISP Advisors, and KSV Restructuring Inc., in its capacity as the Monitor of the Applicants (the "Monitor"), to implement the SISP pursuant to the terms thereof, and to perform their respective obligations thereunder.

2. The Applicants' motion is not opposed.

3. The facts underlying this motion are more fully set out in the affidavit of Robert Clark sworn April 8, 2024. All capitalized terms used in this endorsement have the meanings ascribed to them in Mr. Clark's affidavit.

4. In addition, the Monitor has filed its Third Report dated April 9, 2024. In the Third Report, the Monitor recommends that this Court make the requested order.

The SISP Advisors' Retention

5. In contemplation of a potential SISP and to address the Applicants' need for the assistance of an independent financial and/or sale advisor, the Applicants, with the assistance of the Monitor, solicited proposals from various prospective advisors. The Applicants and the Monitor received proposals from four advisors, including HCC and CBRE, and the Applicants separately received a proposal from an additional advisor.

6. The Monitor, following consultation with the Applicants, the Lender Representative counsel, the Unsecured Lender Representative Counsel and the court-appoint a receiver of Lion's Share recommended that HCC and CBRE be jointly retained as the SISP Advisors on the basis that:

a. HCC would be engaged solely in respect of any refinancing of, or other strategic investment in, the Applicants' Property; and

b. CBRE would be engaged solely in respect of any sale transactions involving the Applicants' Property.

7. The terms of the SISP Advisors' engagements are set out in the substantially final, unexecuted copies of the HCC Engagement Agreement and the CBRE Engagement Agreement to be entered into between HCC and the Applicants and CBRE and the Applicants, respectively. Both engagement agreements contemplate that the SISP Advisors will: (a) assist the Monitor in implementing and conducting the SISP in connection with their respective mandates; (b) consult with key stakeholders; (c) assist with the due diligence process for interested parties; (d) provide advice with respect to strategic transactions or sale transactions, as applicable; and (e) engage local agents (with the consent of the Monitor) if and when appropriate.

8. I am satisfied that the Applicants should be authorized to retain the SISP Advisors and that the engagement agreements should be approved. In this respect, I accept the submissions made on behalf of the Applicants at paragraphs 31-35 of their Factum.

The SISP

9. The SISP was developed by the Monitor in consultation with the Applicants, the SISP Advisors, the Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Receiver.

10. The SISP prescribes the manner in which the Monitor, with the assistance of the SISP Advisors, and in consultation with the Applicants, the Lender Representative Counsel, the Unsecured Lender Representative Counsel and the Lion's Share Receiver, shall solicit interest in one or more refinancing, sale and/or other strategic transactions involving the business, assets and/or equity of the Applicants or any part thereof from interested parties.

11. The SISP contemplates a two-stage process. The first phase requires the submission of non-binding letters of intent by potential bidders while the second phase will require the submission of binding offers. To maximize the flexibility of the SISP and reduce unnecessary expenditures of time and resources, the SISP does not enumerate the parameters that will govern the submission of binding bids in the second phase. Rather, it provides for an informed, cooperative, and consultative process pursuant to which such parameters, if necessary, will be determined by the reviewing parties.

12. I am satisfied that the SISP should be approved. In this respect, I accept the submissions made on behalf of the Applicants at paragraphs 36-40 of their Factum.

Stay of Proceedings

13. The stay of proceedings under the Second Amended and Restated Initial Order issued on March 28, 2024 will expire on April 30, 2024. Pursuant to the requested form of order, the Applicants are seeking to extend the stay of proceedings, including in respect of the Additional Stay Parties and the Additional Stay Parties' Property (as defined in the motion materials) to and including June 24, 2024.

14. The Applicants' revised cash flow forecast demonstrates that the Applicants will have sufficient cash to support the business' ordinary course operations and the costs of the *CCAA* proceedings throughout the stay period.

15. I am satisfied that the proposed extension of the stay of proceedings is in the Applicants' best interests and those of their stakeholders, is consistent with the purposes of the *CCAA*, and is appropriate in the circumstances. I accept the submissions made on behalf of the Applicants at paragraphs 41-44 of their Factum.

16. I am satisfied that the stay of proceedings should be extended in favour of the Additional Stay Parties and the Additional Stay Parties' Property for the stay period. In this respect, I accept the submissions made on behalf of the Applicants at paragraphs 45-49 of their Factum.

Sealing

17. The Applicants are seeking a temporary sealing order in respect of the unredacted copy of the CBRE engagement agreement which contains commercially sensitive information. This is being done to protect the integrity of the SISP and ensure that one or more value-maximizing transactions materialize therein. The proposed sealing order is limited to the variable component of the sales fees applicable in the event of a partial sale of the overall portfolio.

18. I am satisfied that the requested limited sealing order should be made. The limited sealing of the CBRE engagement agreement is in the public interest. There is no reasonable alternative to a sealing order where declining to grant the proposed order would materially impair the maximization of asset value for the benefit of stakeholders. The benefits of the sealing request outweigh any deleterious effects. The sealing request is appropriately limited in the circumstances. The sealing order will be subject to further order of the Court.

Approval of Monitor's Reports, Activities and Fees

19. I am satisfied that the reports of the Monitor described in the requested form of Order and the activities of the Monitor referred to therein should be approved. I am satisfied that the fees and disbursements of the Monitor and its counsel as set out in the Third Report should be approved.

Investigation

20. In its Third Report, the Monitor reports that as part of its investigation described in its Second Report, interviews with each of Dylan Suitor, Aruba Butt, Ryan Molony, and Robert Clark are being scheduled. At the hearing, counsel for Monitor advised that these interviews have, by agreement, been scheduled as follows:

    a. Robert Clark, on April 25;

    b. Aruba Butt on April 26;

    c. Ryan Molony on May 1; and

    d. Dylan Suitor on May 6.

Disposition

21. Order to issue in form of Order signed by me today.

TAB I

THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

From:	Bellissimo, Joseph
To:	Sean Zweig; Joshua Foster; Thomas Gray; ngoldstein@ksvadvisory.com; dsieradzki@ksvadvisory.com; cvit@ksvadvisory.com; nelzakhem@ksvadvisory.com; Sniderman, Robert; Jacobs, Ryan; Bellissimo, Joseph; Kukulowicz, R. Shayne; harvey@chaitons.com; george@chaitons.com; ndasilva@harbourmortgage.ca; lrodness@torkinmanes.com; jsimpson@torkin.com; tmarkovic@torkinmanes.com; pat.confalone@justice.gc.ca; kelly.smithwayland@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; sandra.palma@cra-arc.gc.ca; avinash@liftcap.ca; RRSPMortgageLegal@olympiatrust.com; jeff.larry@paliareroland.com; daniel.rosenbluth@paliareroland.com; gabrahamson@fullerllp.com; aerlich@fullerllp.com; jennifer.stam@nortonrosefulbright.com; katie.parent@nortonrosefulbright.com; collections@timmins.ca; servicetimmins@timmins.ca; jolambert@grienerlambert.ca; Pendrith, Colin; k.fields@cityssm.on.ca; darlene.peever@tkl.ca; clerk@tkl.ca; Nathalie El-Zakhem; kyla.bell@greatersudbury.ca; taxdepartment@greatersudbury.ca; taxes@thorold.ca; contact@thorold.ca; priley@stcatharines.ca; jmarques@brantford.com; finance@welland.ca; info@tsacc.ca; clerk@niagarafalls.ca; cobalt@cobalt.ca; pmccracken@markstay-warren.ca; traymond@markstay-warren.ca; info@markstay-warren.ca; gcorney@forterie.ca; ETingley@bashllp.com; JMartschenko@blg.com; RJaipargas@blg.com; karsten@mhnlawyers.com; marshall@uijlaw.com; snash@georgestreetlaw.ca; chad.robinson@alignmortgage.ca; carleen.su@trucapitalrealestate.com; neil.t.joseph@gmail.com; mortgagesbywilliamsmith@gmail.com; goetzs@hotmail.com; chad.robinson@alignmortgage.ca; irmaboyle1@gmail.com; forte@gsnh.com; drake@gsnh.com; kplunkett@airdberlis.com; mvanzandvoort@airdberlis.com; Jackson, Joshua; sparsons@airdberlis.com; karenbeckman7@gmail.com; crystal@capclaw.ca; JHardy@tgf.ca; camerontopp@gmail.com; alynsuechin@hotmail.com; angelicanataly@gmail.com; Lisowski, Tara
Subject:	In the Matter of Balboa Inc., et al - Court File No. CV-24-00713245-00CL
Date:	Tuesday, June 11, 2024 6:42:25 PM
Attachments:	image001.png FOR PUBLIC DISTRIBUTION - Fourth Report of the Monitor re Balboa Inc et al.pdf

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To the Service List:

We are counsel to KSV Restructuring Inc., in its capacity as court-appointed monitor (in such capacity, 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") pursuant to the Second Amended and Restated Initial Order (the "ARIO") granted by the Ontario Superior Court of Justice (Commercial List) (the "Court") on March 28, 2024.

Enclosed is a copy of the Fourth Report of the Monitor dated June 11, 2024 (the "Report") in connection with the investigation conducted by the Monitor in accordance with paragraph 41(k) of the ARIO, which Report has been redacted to remove information in respect of which the Applicants have asserted confidentiality. A case conference has been scheduled before the Court on June 14, 2024 to address scheduling of any motions with respect to sealing of any redacted portions of the Report and/or the transcript/document brief to the Report.

Regards,

Cassels

JOSEPH J. BELLISSIMO
Partner
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Services provided through a professional corporation

TAB J

THIS IS **EXHIBIT "J"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
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T: 416.863.1200
F: 416.863.1716

Alex Payne
Partner
Direct Line: 416.777.5512
e-mail: paynea@bennettjones.com

June 12, 2024

Sent Via E-Mail

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Colin Pendrith

Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al.
(Court File No.: CV-24-00713245-00CL)

As you know, we are the lawyers for Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc., and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write in connection with the Fourth Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"), dated June 11, 2024 (the "**Report**").

The Applicants vigorously dispute the Monitor's findings in the Report, and have very serious concerns regarding both the contents of the Report, and the information omitted from the Report without explanation. Based upon the Applicants' preliminary review, it appears that the Monitor has either not reviewed, misunderstood, and/or ignored certain of the Applicants' responses, and certain of the thousands of documents provided in response to the Monitor's numerous requests. Instead, the Monitor appears to have reached certain conclusions contrary to or inconsistent with the documents and evidence available to the Monitor. Furthermore, the Report omits salient facts relevant to the commentary and conclusions reached therein, including to misattribute impugned conduct to the Applicants.

As the Report acknowledges, certain information requests remain outstanding, which if provided, may necessitate revision to the Report. The Applicants are preparing a comprehensive response to the Report, including to direct the Monitor's attention to information and documents that have already been provided to the Monitor. Furthermore, and as the Monitor is aware, the Applicants

continue to assemble documents and information in response to the Monitor's outstanding requests. The Applicants' expectation is that the Monitor will consider such documents and information and revise the Report accordingly.

The Applicants look forward to engaging with the Monitor to dispel the concerns raised in and correct certain of the content of the Report.

Yours truly,

BENNETT JONES LLP

Alex Payne

Alex Payne

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones LLP)
The Service List

TAB K

THIS IS **EXHIBIT "K"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Cassels

June 13, 2024

By Email

cpendrith@cassels.com
tel: +1 416 860 6765

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4 Canada

Attn: Alexander Payne

Dear Mr. Payne:

Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)

We confirm receipt of your letter of yesterday's date.

The Monitor believes its report accurately reflects the facts, banking and other information obtained during the Monitor's investigation. The Monitor continues to be available to address any questions your clients may have concerning the report or to receive any previously unprovided information in response to the Monitor's requests that were made over the past several months.

Yours truly,
Cassels Brock & Blackwell LLP

Colin Pendrith
Partner

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones)
cc: Ryan Jacobs and Shayne Kukulowicz (Cassels)
cc: Noah Goldstein and David Sieradzki (KSV)
LEGAL*65147377.2

TAB L

THIS IS **EXHIBIT "L"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

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

AIDE MEMOIRE OF THE MONITOR

June 13, 2024

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
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Joseph J. Bellissimo (LSO #: 46555R)
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jbellissimo@cassels.com

Lawyers for the Monitor

OVERVIEW

1. The Monitor is seeking the Court's assistance at this case conference to establish a timetable in connection with a hearing to address (i) the Applicants' request for the sealing and redaction of certain portions of, and exhibits to, the Investigation Report (as defined below) of KSV Restructuring Inc., the court-appointed Monitor of the Applicants (the "**Monitor**") issued on June 11, 2024, and (ii) a motion of the Applicants' secured lender representatives to expand the powers of the Monitor.

2. At an earlier case conference, the Court scheduled a hearing on June 24, 2024 to deal with:

    a. an extension of the Stay Period (as defined below);

    b. advice and directions in respect of the Court-authorized sale, refinancing and investment solicitation process (the "**SISP**"); and

    c. advice and directions in respect of any relief flowing from the release of the Investigation Report.

3. For the reasons described in this aide memoire, it is the Monitor's view that both the sealing issue and the lenders' motion to expand the Monitor's powers need to be heard and determined at the June 24, 2024 hearing.

BACKGROUND

4. The Applicants are private Canadian corporations that, along with other non-debtor affiliates, are part of a group of companies that specialize in the acquisition, renovation and leasing of distressed residential real estate in undervalued markets throughout Ontario.

5. The Applicants are the principal owners of 406 residential properties containing 631 rental units, the majority being tenanted, as well as a single non-operating 200-acre golf course, 40 acres of which are zoned for development.

6. After experiencing a liquidity crisis and defaults on their mortgage loans and promissory notes, the Applicants urgently sought relief under the CCAA. On January 23, 2024, the Court granted an initial order which, among other things:

    a. stayed all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor, or the Applicants' directors and officers, except with the prior written consent of the Applicants and the Monitor, or with the leave of the Court (the "**Stay Period**");

    b. stayed, for the Stay Period, all proceedings against or in respect of the principals, Aruba Butt, Dylan Suitor, and/or Ryan Molony; and

    c. appointed Chaitons LLP as representative counsel for the Applicants' secured and unsecured lenders in these CCAA proceedings.

7. On February 15, 2024, the Applicants obtained from the Court an amended and restated Initial Order (the "**ARIO**") which, among other things:

a. narrowed the scope of Chaitons LLP's mandate to the Applicant's secured lenders (the "**Secured Lender Representative Counsel**"); and

b. directed and empowered the Monitor to 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 "Lender Representatives" and agreed by the Monitor, in each case, to the extent such investigations relate to the Applicants' "Property", "Business" or such other matters as may be relevant to these CCAA proceedings as determined by the Monitor (the "**Investigation**") and report to the Lender Representatives and the Court on the findings of the Investigation as the Monitor deems necessary and appropriate.

8. On March 28, 2024, the Court granted a second ARIO which, among other things, appointed Goldman Sloan Nash & Harber LLP as representative counsel for the unsecured lenders of the Applicants other than The Lion's Share Group Inc. ("**Lion's Share**") and any other unsecured lenders affiliated with Lion's Share or its principal, Claire Drage, in these CCAA proceedings (the "**Unsecured Lender Representative Counsel**").

9. On April 12, 2024, the Court granted an order approving the SISP which, among other things, provided that:

   a. in phase 1, potential bidders that wish to make a bid in the SISP must deliver a copy of their non-binding letter of intent to the Monitor by June 10, 2024 (the "**LOI Deadline**"); and

   b. in the event that the Reviewing Parties (as defined in the SISP) cannot agree on whether the SISP should proceed to phase 2 or the appropriate parameters for the submission of binding offers in phase 2, the Monitor shall serve and file a motion within 14 days following the LOI Deadline (i.e. on or before June 24, 2024).

10. As the LOI Deadline has passed, it is contemplated that the Monitor will report on the status of the SISP at the hearing on June 24, 2024 and seek an extension of the time to determine whether and how to move into phase 2.

11. On June 11, 2024, the Monitor served on the service list its report on the Investigation (the **"Investigation Report**"), with broad redactions, and provided the Applicants and the Secured Lender Representative Counsel and the Unsecured Lender Representative Counsel on a strictly confidential basis an unredacted version of the Investigation Report (with only personal banking information and SINs redacted from this version of the report), to be held on a confidential basis subject to further agreement with the Applicants or order of this Court. The redactions in the public version of the Investigation Report were based on prior assertions by the Applicants that certain types of information should be sealed or redacted. The Monitor and the counsel appointed to represent the secured and unsecured lenders do not agree.

12. In the Investigation Report, the Monitor describes its serious concerns with the transactions and business practices of the Applicants, the Applicants' principals, and non-Applicant affiliate companies, particularly the questionable use of funds that were borrowed from individual secured and unsecured lenders.

13. The Monitor and Applicants have been advised that the Secured Lenders Representative Counsel intends to bring a motion on June 24, 2024, supported by the other lender constituencies, to seek an expansion of the Monitor's powers and to take all control of the Applicants away from the principals of the Applicants (the "**Expansion of Monitor's Powers Motion**"). The Monitor understands that the Expansion of Monitor's Powers Motion will be served on or prior to June 17, 2024.

14. The Stay Period has been extended a number of times and currently expires on June 24, 2024.

SEALING AND REDACTION OF THE INVESTIGATION REPORT

15. The Applicants have asserted that significant portions of the Investigation Report, particularly the transcripts from the interviews under oath of the principals and other documents produced by the Applicants marked as "confidential" should be sealed and/or redacted.

16. The Monitor does not agree that anything in the Investigation Report should be sealed or redacted other than personal information such as bank account numbers or SINs. Nonetheless, the Monitor is proposing a truncated timetable to accommodate the Applicants' requested relief concerning the Investigation Report. Below is a description of a proposed schedule:

PROPOSED TIMETABLE

Procedural Step	**Deadline** (all indicated times are in Eastern Standard Time)
Case conference to schedule sealing and redaction motion of the Applicants	June 14, 2024 at 9:45 a.m.
Secured Lender Representative Counsel to serve materials regarding the Expansion of Monitor's Powers Motion	At or before June 17, 2024 at 5:00 p.m.
Applicants to serve materials regarding the sealing and redaction of the Investigation Report	At or before June 18, 2024 at 5:00 p.m.
Parties to serve any reply materials	At or before June 19, 2024 at 5:00 p.m.
Examinations (if any)	June 20, 2024
Facta of moving parties	June 21, 2024 at 5:00 p.m.
Reply Facta	June 22, 2024
Hearing date	June 24, 2024

17. Based on discussions with counsel for the Applicants, the Monitor expects that the Applicants may ask for more time to deal with the sealing/redaction issues as well as more time to respond to the motion to expand the Monitor's powers.

18. The main stakeholders, namely the secured and unsecured lenders, have waited for the Investigation Report, the cost of which they effectively funded, since February 15, 2024 and to date they have only received a redacted version of the Investigation Report and have not received the transcripts of the interviews because of an assertion of confidentiality.

19. In light of the findings in the Monitor's Investigation Report, the Monitor believes that both the sealing issue and the Expansion of Monitor's Powers Motion should be heard and determined as soon as possible.

20. The Monitor's support for a further stay extension will be predicated on the removal of the Applicants' existing management and/or principals (Robert Clarke, Aruba Butt, Dylan Suitor and Ryan Moloney) from any decision-making authority related to the Applicants' Business and/or Property and these CCAA proceedings, including any authority to direct the Applicants' professionals to take steps and incur further fees that would purport to be reimbursable by the Applicants and protected by the Administration Charge (as defined in the second ARIO) to the detriment of the Applicants' stakeholders. In addition, any further stay extension would not include the Additional Stay Parties (the principals of the Applicants).

21. The Monitor submits that the timeline above is fair, reasonable and constitutes an efficient and effective use of the Court's time and resources to address both urgent matters.

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

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

AIDE MEMOIRE OF THE MONITOR (JUNE 13, 2024)

Cassels Brock & Blackwell LLP
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Shayne Kukulowicz (LSO #: 30729S)
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skukulowicz@cassels.com

Joseph J. Bellissimo (LSO #: 46555R)
Tel: 416.860.6572
jbellissimo@cassels.com

Lawyers for the Monitor

TAB M

THIS IS **EXHIBIT "M"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

From:	Onyeaju, William
To:	Joshua Foster; Mario Forte; George Benchetrit; Jennifer Stam
Cc:	David Sieradzki - KSV Advisory Inc. (dsieradzki@ksvadvisory.com); Noah Goldstein; Jacobs, Ryan; Kukulowicz, R. Shayne; Bellissimo, Joseph; Pendrith, Colin
Subject:	Balboa Inc. et al. - Aide Memoire of the Monitor, June 13, 2024 [IWOV-LEGAL.FID4716018]
Date:	Thursday, June 13, 2024 4:38:04 PM
Attachments:	image001.png Aide Memoire - KSV - Monitor - 13-JUNE-2024.pdf

Attached please find the Aide Memoire of the Monitor in respect of the case scheduling conference taking place tomorrow morning at 9:45 a.m. (EST) before the Honourable Justice Osborne.

The Zoom link for the scheduling conference has been made available on CaseLines but is also reproduced below:

Zoom Link: https://ca01web.zoom.us/j/65979875939?pwd=VVRJZHVVRWQ1cGdkRERtTGpRajNFUT09#success
Meeting ID: 659 7987 5939
Passcode: 879894

If you intend on attending the case scheduling conference, please advise the undersigned so that we may complete the participant attendance sheet.

Regards,

Will

Cassels

WILLIAM ONYEAJU *(he/him/his)*
Associate
t: +1 416 869 5498
e: wonyeaju@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

TAB N

THIS IS **EXHIBIT "N"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-24-00713245-00CL **DATE:** **June 14, 2024**

NO. ON LIST: **2**

TITLE OF PROCEEDING: In the Matter of a Plan of Compromise or Arrangement of Balboa Inc., and Others

BEFORE: Justice Osborne

PARTICIPANT INFORMATION

For Applicant(s):

Name of Person Appearing	Name of Party	Contact Info
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For Other(s):

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Mario Forte	Counsel for the Unsecured Lender	forte@gsnh.com
Jennifer Stam	Counsel for the Receiver of The Lion's Share Group Inc. (Fuller Landau Group Inc.)	Jennifer.Stam@nortonrosefulbright.com
David Sieradzki	Representatives of the Monitor (KSV Restructuring Inc.)	dsieradzki@ksvadvisory.com
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ENDORSEMENT OF JUSTICE OSBORNE:

[1] The Applicants sought this case conference to address scheduling matters, arising, at least in part from the Fourth Report of the Monitor delivered in this proceeding. The Court-appointed Monitor also seeks the

assistance of the Court to address certain matters. Finally, the secured lenders seek to schedule a motion to further expand the powers of the Monitor.

[2] The Applicants sought and were granted an Initial Order under the CCAA on January 23, 2024. The Monitor was appointed. To address significant concerns expressed by the secured lenders of the Applicants, the Court granted an Amended and Restated Initial Order on March 28, 2024.

[3] Among other things, the ARIO expanded the powers of the Monitor and authorized that Court officer to conduct an investigation into the use of funds oral by the Applicants and other prefiling transactions conducted by them or their principals and affiliates.

[4] The Monitor was directed to report on its findings in respect of that investigation, and it did so in the Fourth Report which has now been delivered. The publicly filed version of the Report, however, contains redactions.

[5] The Applicants seek to schedule a motion for a sealing order authorizing the redaction of certain information contained in the Fourth Report (including the Appendices thereto) from the public Court file.

[6] I observe that there are already pending motions in this proceeding, scheduled at an earlier case conference to be heard on June 24, 2024, in respect of a proposed stay extension; a proposed SISP; and advice and directions of the Court in respect of various of the matters addressed in the Fourth Report.

[7] Those motions were specifically scheduled for June 24 since the stay of proceedings currently in effect expires on that date.

[8] It is the position of the Monitor and the secured lenders, supported by all other parties except the Applicants, that the proposed motion of the Applicants for a sealing order and the proposed motion of the secured lenders to expand the powers of the Monitor also need to be heard and determined on that same date.

[9] The Applicants take the position that, given the volume of materials comprising the Fourth Report, they need additional time to review the Fourth Report and prepare for the motion for a proposed sealing order and consider their position with respect to the proposed motion to expand the powers of the Monitor (and restrict the powers of management of the Applicants), such that those motions should be scheduled at a later date.

[10] In the circumstances, and given the subject matter of the Fourth Report, I am of the view that all of these matters need to be heard at the same time, and on June 24. I have reached this conclusion in large part, on the basis that the secured lenders and other parties have advised the Court that they will oppose any extension of the stay of proceedings in this matter if the powers of the Monitor are not further expanded and the powers of existing management of the Applicants are not restricted, largely as a result of the findings of the Monitor as described in the Fourth Report.

[11] Accordingly, it seems to me, that the issues will have to be addressed on June 24 either way (i.e., in the context of a contested stay extension motion or in the context of a motion to expand the powers of the Monitor and restrict the powers of management of the Applicants), such that there is no judicial efficiency or benefit to the parties and the stakeholders, to have those proposed motions deferred.

[12] It follows that all of those motions will be heard on June 24. The parties will ensure that all materials are served, filed and uploaded to Caselines to enable the motions to be determined on their merits on that date.

TAB O

THIS IS **EXHIBIT "O"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

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June 19, 2024

Via E-Mail

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Colin Pendrith

Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al.
(Court File No.: CV-24-00713245-00CL)

As you know, we are the lawyers for Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc., and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**"). We write in connection with the Fourth Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"), dated June 11, 2024 (the "**Investigative Report**") and further to our letters dated May 28, 2024, June 10, 2024 and June 12, 2024 (the "**June 12 Letter**") and your letter dated June 13, 2024 (the "**June 13 Letter**").

As set out in the June 12 Letter, the Applicants vigorously dispute the Monitor's findings in the Investigative Report, and have significant concerns regarding both the contents of the Investigative Report, and the information omitted from the Investigative Report without explanation. While the Investigative Report acknowledges that certain information requests remain outstanding, which if provided, may necessitate revision thereto, and the June 13 Letter advises that the Monitor is available to address any questions the Applicants may have concerning the Investigative Report or to receive any previously unprovided information, the Investigative Report was used on June 14, 2024 as the principal evidentiary basis on which to schedule a contested motion returnable June 24, 2024 by the Applicants' secured lenders. As you are aware, pursuant to such motion, the Applicants' secured lenders seek an order, among other things, expanding the Monitor's already heighted powers and compelling SID Management Inc. and 2707793 Ontario Inc.'s o/a SID Renos' to continue to perform critical services to the Applicants, while simultaneously exposing their management to potentially hundreds of claims.

In light of the acknowledgements in the Investigative Report and the June 13 Letter, and the foundation of the Applicants' secured lenders' impending motion, the Applicants have utilized the limited time afforded to them to prepare a response to the Investigative Report and certain of the Monitor's outstanding request. To that end, please find enclosed at Appendix "A" a non-exhaustive table that identifies: (i) general misstatements, omissions and errors in the Investigative Report; and (ii) specific misstatements, omissions and errors in the Investigative Report. As you will see, the Investigative Report contains a significant amount of material issues that require correction. Please note that, given the compressed schedule to respond to the Investigative Report, the lack of response to any finding within the Investigative Report should not be taken as an admission by the Applicants that such finding is accurate. The Applicants may identify additional issues upon further review, and reserve the right to do so.

For the avoidance of doubt, the enclosures referred to in Appendix "A" and each of their respective contents are confidential and are intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who need to know such information for the purpose of the Monitor's investigation. Nothing in this letter or its enclosures should be interpreted as a waiver of solicitor-client or any other privilege.

We look forward to the Monitor's prompt attendance to the issues identified in Appendix "A", which will necessitate the issuance of a supplementary or revised Investigative Report. We plan to include this correspondence, including Appendix "A", in an affidavit to be served on the service list in the above-captioned proceedings.

Yours truly,

Alex Payne

Alex Payne

cc. Sean Zweig & Joseph Blinick (Bennett Jones LLP)
Ryan Jacobs, Shayne Kukulowicz & Joseph Bellissimo (Cassels Brock & Blackwell LLP)
Noah Goldstein & David Sieradzki (KSV Restructuring Inc.)

Appendix A

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
A. General Responses to the Monitor's Various Statements and Conclusions			
1.	S 2.1, ¶2, 4 S 2.4, FN 15 S 2.5, ¶2 S 4.6, ¶1-2 S 5.3.2., ¶7 S 5.3.2, ¶9-10 S. 6.0, ¶15	The Monitor's various statements that the recurring transfers of the Applicants' borrowed funds to the Principals, or corporations that they control or own, form a pattern of unjustifiable defalcation of funds lent to the Applicants by Investors.	The Monitor's statements are inaccurate, misleading, and omit testimony and documents provided to the Monitor. In Management's interviews under oath and in the Applicants' written responses to the Monitor, the Monitor was advised that all or substantially all of the Applicants' borrowed funds were used to acquire the properties and/or for renovations and operating expenses in the ordinary course of business.[2] Moreover, as the Monitor is aware, (i) all or substantially all of the proceeds of the Applicants' first mortgage loans (in the approximate total principal amount of $81.5 million) were used to acquire the Applicants' owned real property and were never available for any other use by the Applicants, (ii) approximately $16.8 million of the proceeds of the promissory notes[3] were similarly used for closing costs or any other payments and not available for any other use by the Applicants, and (iii) approximately $13.6 million (inclusive of renovations to the properties conveyed by certain of the Applicants in the Core Sale)[4] has been expended in connection with the Applicants' renovations to date. There were no constraints, including covenants, representations and/or warranties, in (i) all or substantially all of the unsecured promissory notes, and (ii) the syndicated second mortgage documents, on the use of funds. Furthermore, and notably, the Monitor has not made any distinction between the Applicants' use of borrowed funds and rental income, the latter of which total 8+ figures over the course of the Applicants' operations. The overstatement of promissory note proceeds (including by failing to properly account for renewals for which there were no proceeds) and the failure to distinguish

[1] Unless otherwise noted, excerpts provided herein omit the applicable footnote appearing in the Report.
[2] See the Transcript of the Interview of Aruba Butt dated April 26, 2024 (the "**Butt Transcript**"), Monitor's Brief of Documents ("**Brief**"), Volume 2 of 5, Tab 2, pp. 304-3019, qq. 83-91, and pp. 428-430, qq. 325-332.
[3] The principal amount of which, as discussed herein, appears upon review to be materially overstated and limited to approximately $33.1 million, less amounts repaid following the closing of the Core sale, for a total estimated outstanding amount of approximately $22 million.
[4] Enclosed as Schedule "A" is a summary detailing the composition of the $13.6 million referenced herein.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
A. General Responses to the Monitor's Various Statements and Conclusions			
			between rental income and borrowed funds results in material errors or omissions in the Report regarding the use of funds lent to the Applicants by lenders. An inflammatory finding of "defalcation" is inappropriate in circumstances where the Applicants' use of the funds was consistent with the terms of the promissory notes. Furthermore, the Monitor's finding that such transfers of funds (comprised of borrowed funds and rental income) form "a pattern of unjustifiable defalcation of funds" is inconsistent with: (i) the Monitor's own findings that payments to Principals were justifiable in relation to *bona fide* business purchases for the Applicants[5]; and (ii) the Applicants have repeatedly explained that funds were transferred to reimburse business expenses incurred on the Applicants' behalf. Business expense reimbursements account for approximately $4.4 million of the approximately $6 million in net disbursements to "Related Parties – Individuals" (with a further approximately $1.1 million being explained by authorized dividends and credit card expenses incurred by Ms. Bullen on behalf of Joint Captain Real Estate Inc.) and in respect of approximately $2.9 million of the net disbursements to "Related Parties – Companies" (with a further approximately $3.7 million being explained by an authorized dividend, services rendered to, and reimbursements made by, the Applicants, and transfers utilized to preserve the Applicants' liquidity, the funds of which were subsequently utilized for the Applicants' benefit). Notably, the business practice of payments being made to the Principals in connection with *bona fide* business purchases for the Applicants has continued under the oversight of the Monitor, without any objection by the Monitor, notwithstanding that such transfers are now being characterized as an "unjustifiable defalcation of funds." The Monitor's reference to "transfers totalling approximately $7.4 million in net payments to non-Applicant corporations owned or controlled by the Principals" at s. 2.1, ¶4 is incomplete and thus misleading.

[5] Enclosed as Schedule "B" is a significant representative sample of receipts in respect of such expenses.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
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			Approximately $6.6 million of the $7.4 million in net disbursements referenced, including disbursements to Old Thing Back Inc., SID Renos, SID Management Inc., Lawn Care Alert, One Happy Island Inc., Elev8 Inc., Upgrade Housing Inc., and Efresh have previously been explained in writing or are otherwise explained herein, including in respect of the Applicants' arrangements with SID Management Inc. and SID Renos.[6] Despite the conclusion in the Report that the Applicants "transacted" with Northern Caboodle Inc., 1083 Main Street Inc., Elevation Real Estate Network, Conduit Asset Management Inc. and The Suitor Family Trust, there is nothing within the Report to support that conclusion. As Appendix 2 to the Report makes clear, the Applicants are in fact indebted to each of Zack Files Real Estate Inc., Happy Town Housing Inc., Up-Town Funk Inc., Corn Soup Inc. and Hard Rock Capital Inc. As the Monitor is aware, the Applicants continue to assemble documents and information to address the Monitor's outstanding requests with respect to the remainder of the net disbursements to "Related Parties – Companies". Certain of these net disbursements were made to non-Applicant affiliates, as the Monitor has been advised, that operated within the same business as the Applicants, including Old Thing Back Inc., and Upgrade Housing Inc., each of which had access to corporate credit cards that were used to pay for expenses on the Applicants' behalf. On balance, the inclusion of such non-Applicant affiliates, including, among others, Prospect Real Estate Inc., within these proceedings was anticipated to be, following review and consideration, prejudicial to such non-Applicant affiliates and/or the Applicants and their respective stakeholders. The net disbursements to Lawn Care Alert and Efresh were for services rendered to the Applicants. The Applicants are endeavoring to locate and provide the applicable invoices.

[6] See the March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G. See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
A. General Responses to the Monitor's Various Statements and Conclusions			
			The net disbursements to SID Renos were in connection with vendor rebates, SID Renos' construction management fee, a monthly fee paid by SID Renos on behalf of the Applicants for bookkeeping between 2021-2023 for which SID Renos was reimbursed (the "**Accounting Reimbursements**"), and miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time. A summary of SID Renos' invoices in respect of approximately $827,233 in vendor rebates as well as copies of each of the underlying invoices have previously been provided to the Monitor.[7] The remainder of the net disbursements consists of SID Renos' construction management fee, the Accounting Reimbursements, and reimbursements for miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time. Receipts in respect of the Accounting Reimbursements totaling approximately $222,180 are enclosed as Schedule "C". With the exception of the $210,000 disbursement on May 25, 2023 to SID Management identified in the Report, the net disbursements to SID Management were in connection with expenses incurred by SID Management on the Applicants' behalf but not included at the applicable time SID Management completed its customary deductions for such expenses from the Applicants' rental income.[8] The $210,000 disbursement to SID Management identified in the Report was made to preserve the Applicants' liquidity while the Applicants continued to conduct renovations and pursue a comprehensive refinancing solution. Had the funds not been transferred, they would have been eroded by interest and other payments that were subject to pre-authorized debits.

[7] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[8] See the Transcript Interview of Robert Clark dated April 25, 2024 (the "**Clark Transcript**"), Brief, Volume 1 of 5, pp. 210-212, qq. 643-647.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
A. General Responses to the Monitor's Various Statements and Conclusions			
			Furthermore, and in any event, over $210,000 was transferred back from SID Management to the Applicants between May 25 and June 1, as needed, as evidenced in the Applicants' bank statements, as provided to the Monitor.[9] In respect of disbursements to One Happy Island identified in the Report, funds were transferred to One Happy Island to preserve the Applicants' liquidity while the Applicants continued to conduct renovations and pursue a comprehensive refinancing solution. The funds were principally used to pay for various expenses incurred by or on behalf of the Applicants, including to SID Management and to Ms. Butt for expenses incurred on the Applicants' behalf on credit cards. Notwithstanding the transfer of a portion of such funds to Zack Files Real Estate, the Applicants continue to be indebted to Zack Files Real Estate, as reflected in the Report. Ms. Butt also deposited $350,000 of personal funds into One Happy Island which funds were subsequently used by the business.[10] Regarding dividends paid by Joint Captain Real Estate Inc., the Monitor's explanation is incomplete. As previously explained, following the Core Sale, a dividend was approved by the sole director of Joint Captain Real Estate Inc. to each of its shareholders., one of which was One Happy Island Inc. At the time, One Happy Island Inc. did not have a bank account. The dividend was therefore paid to One Happy Island's sole shareholder, Ms. Butt.[11] The description of Ms. Butt's evidence in respect of the aforementioned dividend is also misleading as it misrepresents key aspects of her testimony. As she explained during her interview, she did not consider whether the funds paid out as a dividend could be used to pay down any outstanding promissory notes. However, she further clarified that she was normally not involved in the decision whether to pay down

[9] Enclosed as Schedule "D" are SID Management bank account statements illustrate the disbursement of such funds to the Applicants.
[10] The bank statement of One Happy Island Inc. September 29, 2023 illustrating the deposit of $350,000 is enclosed as Schedule "E"; Enclosed as Schedule "F" is a summary of the transactions involving One Happy Island Inc., including disbursements in respect of expenses incurred on Ms. Butt's personal credit card on the Applicant's behalf.
[11] See the March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G; Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 6, qq. 9-11.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
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			promissory notes or to extend them. Also, where no affirmative request for payment was made, the Applicants would generally continue to renew the applicable debt. During her interview, Ms. Butt also stated that she and Ms. Bullen did consider the "runway" for the business of Joint Captain Real Estate Inc. and the collective business of the Applicants when deciding whether to issue the dividend.[12] The Applicants were not suffering liquidity issues at the time and were contemplating an additional sale and production partnership with Core. As explained herein, the liquidity issues did not materialize until in or around November 2022. Ms. Butt and Ms. Bullen would have been unable to foresee any real "detrimental impact" stemming from the payment of the dividend in the circumstances. The description of the dividend paid to Elev8 Inc. is similarly incomplete. As the Monitor has been advised, the disbursement to Elev8 Inc., the parent company of 2657677 Ontario Inc. was in respect of an authorized dividend paid by Interlude Inc. following the Core Sale. As Interlude Inc.'s direct shareholder, 2657677 Ontario Inc., has no bank account, the dividend was paid to Elev8 Inc.
2.	S. 1.0, ¶4	The Monitor's reference to the secured lenders (the "Secured Lenders") and ("Unsecured Lenders") as "Investors".	As the Monitor is aware, and as discussed in Section 4.4 of the Report, the Applicants have numerous Secured Lenders and Unsecured Lenders. Neither the Secured Lenders nor the Unsecured Lenders are "Investors" in the traditional sense, and they have not been referred to as "Investors" in prior reports of the Monitor.
3.	S 2.1, ¶3 S 2.4, ¶6 S 5.3.5, ¶2, 4-7 S 5.3.5, ¶2, 4-7	The Monitor's various statements and conclusions in respect of the Applicants' funds that were "used to directly pay for expenses that appear personal in nature", which included "jewelry, lavish travel expenses, including private jets and luxury villas/hotels, private chefs, payments at various nightclubs, payments to social media personalities and payments to other marketing companies with no apparent connection to the Applicants' business, and the "tenuous claims as to the business purposes" of some of the expenses.	The Monitor's various statements and conclusions on this issue are incomplete and, accordingly, are misleading. The reference to expenses relating to travel, private jets, and corporate retreats omits the fact that such expenses were generally incurred at a time when the Applicants anticipated closing the 9+ figure Core Sale of numerous properties (which later closed for a lesser 8 figure amount), during a period when the Applicants had significant equity, and were current on all or substantially all interest

[12] See Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 99-111, qq. 237-257.

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	S 5.3.3.2, ¶3 S 5.3.5, ¶3 S 5.5, ¶4		payments. The Monitor was provided with this information in written responses and in interviews under oath.[13] Lenders, including Lion's Share, were repaid using the proceeds from the Core Sale. The only applicable lender not fully repaid from the proceeds of the Core Sale was Lion's Share, with Lion's Share's consent. The only unpaid promissory notes related to Interlude.[14] The Monitor's stated concerns regarding the networking trips to the United States also omit or ignore information provided to the Monitor, and accordingly, is misleading. Mr. Clark explained in his interview that the Applicants were seeking American lenders or investors. Legislative changes (particularly the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*), passed by the Privy Council on December 2, 2022, changed the regulatory environment and as a result, opportunities for foreign investment were no longer available. Networking events in respect of potential American lenders or investors must be viewed in context, at the applicable time.[15] Opportunities for investment arose out of such networking events, but an actual loan or investment ultimately did not crystalize for various reasons, including the legislative changes. As previously explained, certain payments, including the payment regarding private jet travel, were improperly coded on The Pink Flamingo's general ledger as "due to/from Aruba" and were in fact neither sent nor received by Ms. Butt.[16] The Applicants have also previously explained that the payment from The Pink Flamingo to Aviannes, which was in turn used to purchase jewelry was treated as a dividend authorized by The Pink Flamingo's sole director.[17]

[13] See Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 133-134, qq. 306-313; the Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 190-193, qq. 585-592 and pp. 246-249, qq. 758-763; the Transcript of the Interview of Ryan Molony (the "**Molony Transcript**"), Brief, Volume 3 of 5, Tab 3, pp. 185-187, qq. 683-686.; and the March 15 Bennett Jones Letter to Cassels, Brief, Volume 5 of 5 at Tab 35G.
[14] See the Transcript of the Interview of Claire Drage dated May 8, 2024 (the "**Drage Transcript**"), Brief, Volume 5 of 5 at Tab 5, pp. 72-83, qq. 167-190.
[15] See Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 200-203, qq. 619-628.
[16] See March 15, 2024 Bennett Jones Letter to Cassels, Document Brief, Vol. 5, Tab 35G.
[17] See March 15, 2024 Bennett Jones Letter to Cassels, Document Brief, Vol. 5, Tab 35G.

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			The Monitor omits the fact that none of management generally take any salary or other compensation from the Applicants, contrary to industry standards, which contextualizes the expenses (including the multi-year period over which they were incurred by eleven Applicant entities).
4.	S. 2.1, ¶5 S 2.5, ¶2 S 4.2, ¶10 S 5.3.2, ¶3	The Monitor's various statements and conclusions that it had identified payments to SID Management and SID Renos that could not be adequately explain and its suggestion that the "vendor rebates" received by SID Renos were not justified or were otherwise improper.	With the exception of the $210,000 disbursement to SID Management identified in the Report, the net disbursements to SID Management were in connection with expenses incurred by SID Management on the Applicants' behalf, but not included at the applicable time SID Management completed its customary deductions for such expenses from the Applicants' rental income. The $210,000 disbursement to SID Management identified in the Report was made to preserve the Applicants' liquidity while the Applicants continued to conduct renovations and pursue a comprehensive refinancing solution. The funds were subsequently used to pay for various expenses incurred by or on behalf of the Applicants, as is reflected in the subsequent receipts from SID Management reflected in the Applicants' bank statements previously provided to the Monitor. Had the funds not been transferred, they would have been eroded by interest and other payments that were subject to pre-authorized debits. The Monitor's statements in respect of the vendor rebates omit the fact that (a) all construction management services were provided by SID Renos, (b) the Applicants had no employees or capacity to provide any construction management services, (c) if an 'asset management fee' had been charged in accordance with standard industry practice based on assets under management, the cost would have been significantly higher, and (d) the Applicants were aware of, and consented to, all such vendor rebates. The payment of the rebates to SID Renos is entirely reasonable. The statements also omit key elements of Mr. Molony's testimony on the issue of the vendor rebates, and, accordingly, are misleading. In his interview, Mr. Molony provided a clear explanation for the vendor rebates. The vendor rebates were intended to compensate SID Renos for identifying and contracting with the vendors

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			on behalf of the Applicants. According to Mr. Molony, it was common in the construction management industry for the project management company to generate revenue for performing this role.[18] The Monitor has been provided with, among other things, each of the invoices created by SID Renos in respect of vendor rebates and a summary of same, totaling approximately $827,233.[19] The remainder in net disbursements to SID Renos consists of SID Renos' construction management fee, the Accounting Reimbursements, and miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time. The Monitor's statement that SID Renos charged Construction Management Fees when contractors or vendors it hired were onsite, even when no SID Renos personnel were actually present is misleading. As Mr. Molony explained, a SID Reno employee would attend the applicable property daily "if it permits".[20] However, if the SID Renos employee was unable to attend at the property, he or she would monitor progress remotely by "having [a] video call, getting pictures, and making sure that the contractors are on site."[21] There is nothing irregular about charging construction management fees for the management of contractors and vendors, nor is there anything irregular about construction managers not being physically present on site. It is common in the construction industry for construction managers to manage the progress of a specific site remotely, in coordination with their contractors or vendors. Remote construction management controls costs. The net disbursements to SID Renos were in connection with vendor rebates, SID Renos' construction management fee, the Accounting Reimbursements, and

[18] See Molony Transcript, Brief, Volume 3 of 5, Tab 3, pp. 104-105, qq. 411-417.
[19] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[20] See Molony Transcript, Brief, Volume 3 of 5, Tab 3, pp. 92-93, qq. 359-363.
[21] See the Molony Transcript, Brief, Volume 3 of 5, Tab 3, pp. 93, qq. 363-364.

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A. General Responses to the Monitor's Various Statements and Conclusions			
			miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time. A summary of SID Renos' invoices in respect of approximately $827,233 in vendor rebates as well as copies of each of the underlying invoices have previously been provided to the Monitor.[22] The remainder of the net disbursements consists of SID Renos' construction management fee, the Accounting Reimbursements, and reimbursements for miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time.
5.	S 2.1, ¶6 S 2.5, ¶2 S 5.2, ¶3, 5 S 5.3.3.1, ¶1 S 5.3.3, ¶2, 4 S 5.3.3.3, ¶¶1-2 5.3.3.4, ¶¶1-4 S 6, ¶¶6-7	The Monitor's various statements and conclusions regarding the direct payments by the Applicants to the Principals, which the Principals asserted were reimbursements for business expenses incurred on the personal credit cards of the Principals.	The Monitor's statements that some of the expenses on the Principals' credit card statements appear to be personal in nature and that the Applicants have yet to identify which expenses they consider to be business expenses are incomplete and misleading. Elsewhere, the Monitor finds that payments to the Principals may have been justified as reimbursements for *bona fide* business purchases for the Applicants. The Applicants' explanations in writing and in interviews under oath, note that reimbursements for *bona fide* business expenses account for approximately $4.4 million of the approximately $6 million in net disbursements to "Related Parties – Individuals" (with a further approximately $1.1 million being explained by authorized dividends and credit card expenses incurred by Ms. Bullen on behalf of Joint Captain Real Estate Inc.).[23] Notably, the business practice of payments being made to the Principals in connection with *bona fide* business purchases for the Applicants has continued under the oversight of the Monitor, without any objection by the Monitor. Save for the personal credit card statements of Ms. Bullen, which were, until recently, not in the Applicants' power, possession or control, the Applicants' management has provided each of their personal credit card statements. Ms. Bullen's personal credit

[22] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[23] See March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G; May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

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			card statements are enclosed as Schedule "G". At the time that substantially all of the credit card statements were first provided on March 15, 2024, the Monitor was advised that such personal credit card statements were only subject to minor redactions/deletions in respect of certain personal expenses. The Monitor appears to suggest that unless the Applicants' four-member management team can identify and provide voluminous underlying support for the tens of thousands of individual transactions incurred on their personal credits over the course of several years for the benefit of the Applicants, consistent with their ongoing practice, these payments should be deemed a misappropriation of funds. It is not clear what analysis has been conducted by the Monitor of the credit card statements produced to date that suggests the transactions reflected therein were not *bona fide* business expenses incurred on behalf of the Applicants, consistent with their current practices.
6.	S 2.3, ¶1 S 5.2, ¶3, 5	The Monitor's various statements and conclusions regarding the Applicants' maintaining appropriate corporate or accounting records.	The Monitor's various statements and conclusions regarding the state of the Applicants' record-keeping practice are incomplete and thus misleading. Regarding tax returns, the Applicants have provided the Monitor with their tax returns completed to date, which were prepared by the Applicants' accountant. The most recent of which, with the exception of Horses In the Back Inc. and The Mulligan Inc., are for 2022. Given the Monitor's position that it would not support the payment of the Applicants' accountant's pre-filing arrears, the Applicants have not advanced this issue, and particularly, their tax returns for 2023 (which are not yet due).[24] As the Monitor is aware, the Applicants' 2023 and 2024 general ledgers are not yet complete and are maintained by the Applicants' accountant.[25] The Applicants'

[24] See March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G.
[25] See March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
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			financial statements and general ledgers for 2022 were generally completed in advance of the commencement of these proceedings. The Monitor's suggestion that "tens of millions of dollars of receipts and disbursements" were missed from the Applicants' 2022 general ledger is misleading and appears to be (albeit not stated) related to the Applicants' real estate transactions. As the Monitor correctly notes elsewhere in the Report, such funds were "never deposited into and/or disbursed from the Applicants' bank accounts and were therefore not recorded in the general ledgers". To assist in addressing any informational gap in this regard, the Applicants previously provided, per the Monitor's request, copies of the statements of adjustment and trust ledgers for each of the Applicants' owned properties. No reference to this voluminous disclosure is made in the Report.[26]
7.	S 2.4, ¶2 S 4.5, ¶19	The Monitor's various statements and conclusions regarding the continued borrowing and transfers to Principals and affiliated entities when the solvency of the Applicants' "was highly questionable."	The Monitor's various statements and conclusions regarding the continued borrowing and transfers to Principals and affiliated entities omits critical information provided to the Monitor and, as a result, is inaccurate and misleading. Contrary to the Monitor's assertion otherwise, the Applicants did not experience "severe liquidity issues" in mid-2022. As clarified by Mr. Clark in his interview, the proceeds from the Core Sale provided the Applicants with sufficient "runway" until later in 2022.[27] The Monitor in its report states that the proceeds of the Core Sale were not depleted until "On [*sic*] or around November 2022" (section 5.3.2., ¶9). This is consistent with Ms. Drage's testimony that that the cash flow challenge became apparent to her between November 2022 and the beginning of 2023.[28]

[26] See March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G; March 24 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35J; March 25 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35K.
[27] See Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 99-100, qq. 322-323, and pp. 111, qq. 355.
[28] See Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 46-50, qq. 101-114.

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			The Monitor neglects to quantify the extent of the Applicants' borrowings during 2023, which was limited, as reflected in the interview of Ms. Butt.[29] Although the Applicants did continue to renew loans and increase leverage past mid-2022, they did so on a limited basis and for proper purposes. As Mr. Clark explained, the Applicants continued to borrow money after the proceeds from the Core Sale had been exhausted to "stabilize" the Applicants' "portfolio" of properties in order to allow the Applicants to seek out refinancing options. This was a commercially reasonable approach to allow the Applicants to continue to operate, stabilize their portfolio and seek to secure a comprehensive refinancing solution.[30] In addition to the explanation to the above and the explanation provided in the Affidavit of Rober Clark sworn January 23, 2024, the Monitor has previously been provided with letters of interest/intent dated November 20, 2022, August 17, 2023 and October 5, 2023 evincing the Applicants' efforts in this regard. The Applicants also took additional steps to resolve the liquidity issues experienced in 2023. For example, they sold certain properties because they did not meet debt coverage requirements or would provide an influx of cash.[31] The Letter of Intent delivered by Core in June 2022 (subsequent to the Core Sale) in respect of a further 6 figure sale contemplated at the time has been provided to the Monitor. Letters of interest/intent dated November 20, 2022, August 17, 2023 and October 5, 2023 evincing the Applicants' efforts to obtain a refinancing solution between November 2022 and the commencement of these proceedings have similarly been provided to the Monitor.[32] Of the three first mortgage loans obtained in 2023 (which are three of the Applicants' approximately 390 first mortgage loans), two appear to be identical based upon the

[29] See Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 57-58, q. 144.
[30] See Clark Transcript, Brief, Volume 1 of 5, Tab 1, p. 112-113, q. 359.
[31] See the Drage Transcript, Brief, Volume 5 of 5, Tab 5, p. 52-54, q. 124.
[32] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

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			trust ledgers provided, resulting in an overstatement of the amount borrowed by the Applicants during this period. In any event, the suggestion that the Applicants ought to have known that the applicable lenders would not be repaid is unsupportable. As mortgagees, the Applicants' indebtedness to such lenders was secured by the applicable real property. There is no suggestion (or basis for suggestion) that these properties could not have been sold if necessary or that the collateral is deficient.
8.	S 2.4, ¶¶2, 4, 5, S 4.1, ¶¶3 S 4.4, ¶¶15-16, 18 S 4.4, ¶19 S 5.1, ¶¶6, 9, 10, 11 5.3.1, ¶3 S 5.6 5.8, ¶2-3 6.0, ¶12 7.0, ¶10	The Monitor's various statements and conclusions regarding information provided to lenders, information the Monitor opines ought to have been provided to lenders, the terms of the promissory notes, and the lenders' understandings and expectations.	The Monitor's various statements and conclusions misattributes conduct to the Applicants when the conduct at issue was that of Windrose/Lion's Share, and accordingly, is inaccurate and misleading. The Applicants generally did not deal with lenders, did not provide marketing materials to lenders, were not provided nor reviewed the marketing materials prepared by Windrose/Lion's Share, and until recently, were unaware that Lion's Share (as a lender to the Applicants) had obtained the funds it lent to the Applicants from other individuals. As the Monitor observes, "Windrose and Lion's Share appear to have been highly integrated into the Applicants' business from the perspective of raising funds" (section 5.1, ¶7). Indeed, taken together, Windrose and Lion's Share (being the Applicants' largest unsecured lender, holding approximately 602 of the Applicants' 802 promissory notes) either sourced or provided one or more loans to each of the Applicants. The process, as explained, was that the Applicants would fill in a two- or three-page form from Windrose/Lion's Share that would outline the current status of a particular property, that information would then be shared with the lender along with Windrose's/Lion's Share's recommendation of what the renewal options would be; the Applicants did the calculation of the anticipated after-renovation value.[33]

[33] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 56-58, qq. 126-131.

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			Windrose would also prepare a "Form 1" investor disclosure that discloses to the lender all risks relating to the specific mortgage opportunity.[34] Windrose was generally responsible for communications with lenders. Windrose generally did not provide the Applicants with lender contact information, due to Windrose's stated concerns regarding its lenders' privacy. The preparation and provision of marketing materials to lenders was solely the responsibility of others, particularly Windrose/Lion's Share. The materials were not vetted by the Applicants. Windrose/Lion's Share collected the information from websites, social media posts and supporting documentation provided to Windrose/Lion's Share regarding the existing portfolio at the time.[35] Consistent with the foregoing, in their respective interviews, Mr. Molony and Ms. Butt advised the Monitor that they had never seen the Windrose marketing materials put to them.[36] For obvious reasons, issues related to the terms and interpretation of the promissory notes are generally limited to the subset of promissory notes for which the proceeds were received directly by the Applicants. As the Monitor has previously been advised, the Applicants did not participate in the drafting of the promissory notes issued in favour of lenders sourced by Windrose. The promissory notes were prepared by Windrose/Lion's Share using their "core template" and their database system to input relevant data.[37] They were then signed by the Applicants and the applicable lenders. In all or substantially all cases, the reference to a particular property within the promissory notes is in respect of the earliest date by which the promissory note may become due and the applicable lender's right, if any, to "register" the promissory note on title. Notably, the latter is

[34] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 137-138, q. 319.
[35] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 41, q. 92 and pp. 68-71, q. 159-163.
[36] See the Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 80-82, qq. 191-93; the Molony Transcript, Brief, Volume 3 of 5, Tab 3, pp. 132-13, qq. 515-518.
[37] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 106, qq. 249.

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			not restricted to a single property but any or all of the properties held by the applicable borrower. The Applicants similarly seldom had input on which property was referred to in any given promissory note sourced by Windrose. Rather, Windrose frequently selected the real property to be referred to in each promissory note prepared by Windrose and delivered to the Applicants and lenders for execution. As previously noted, given "its role in sourcing and placing such promissory notes, Windrose was promptly apprised of any sales of real property consummated by the Applicants",[38] including through a live spreadsheet to which Windrose had access. Any reasonable expectation on the part of the unsecured lenders would be informed by the terms of the promissory notes, only certain of which resulted in proceeds being directed to the Applicants. All or substantially all of such promissory notes do not contain any covenants, representations and/or warranties regarding the use of the funds, whether in respect of a particular property or otherwise. The suggestion that lenders were entitled to disclosure by the Applicants regarding the use of the funds from the promissory notes has no merit, particularly in the circumstances which generally did not involve any communications as between the Applicants and potential lenders. The Monitor's conclusion that the unsecured lenders' expectations that the promissory notes were tied to specific properties based on the general terms of the promissory notes is unsupported by, and irreconcilable with, the provisions of the promissory note that the Monitor relies upon. While paragraph 5 does refer to a particular property, paragraph 8 – the language of which appears in all or substantially all of the promissory notes – expressly refers to "any and all properties owned by the Borrower." Given that no interviews were conducted of any lenders, it is unclear how the Monitor has reached any conclusions regarding the lenders' expectations or understanding,

[38] See the March 20, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35H

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			particularly given the Monitor's specific position that interviews under oath were the best source of evidence, and the basis upon which the interviews proceeded. Until relatively recently, several members of Management were unaware that funds loaned by Lion's Share to the Applicants had in turn been loaned to Lion's Share by other individuals/entities.[39] Mr. Clark did not become aware of this fact until in or around summer 2023.[40] Importantly, after the Applicants began to miss interest payments, Windrose began to hold weekly discussions with the Applicants at which the missed payments and cash flow issues were raised.[41] Windrose would hold weekly webinars with the lenders to provide them with updates without the Applicants. Ms. Drage was confident that the Applicants would obtain a refinancing.[42] Ms. Drage was also aware that monthly rental income was not going to cover carrying costs, that the strategy was to buy, renovate and rent, and that there was always going to be a period until full occupation where there was no cash flow. "The goal is always the rental income that's project on completion of the entire portfolio [...]"[43] Ms. Drage was also aware of the transfer of real property between the Applicants and non-Applicant companies.[44] She had no issue with these transfers.[45] Any non-disclosure of such transfers, if any such disclosure was required, was an issue for Windrose/Lion's Share. The Monitor also omits the testimony of Mr. Clark and Ms. Butt to the effect that intercompany transfers were disclosed to Windrose and Ms. Drage. There is also testimony to the effect that Ms. Bullen and other representatives of Windrose would have directed some of these transfers (albeit, in the case of Ms. Bullen, potentially as

[39] See the Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 65-66, qq. 164-167; the Transcript of the Interview of Dylan Suitor (the "**Suitor Transcript**"), Brief, Volume 4 of 5, Tab 4, p. 147, q. 416.
[40] See the Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 130-133, qq. 416-422.
[41] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 48, qq. 106-108.
[42] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5. pp. 135-136, q. 314.
[43] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 93-94, q. 228.
[44] Enclosed as Schedule "H" is an example of an email with Windrose demonstrating it was aware of the transfers.
[45] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 121-122, qq. 294-295.

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			part of her role with Joint Captain). Instead, without any explanation, the Monitor has favoured the self-serving evidence of Ms. Drage.[46]
9.	S 3.0, ¶6-7 S 4.6, ¶3 S 5.2, ¶11, 14 S 5.3.2, ¶5, 9-10	The Monitor's various statements and conclusions in respect of the completeness and the timeliness of the Applicants' responses to the Monitor's requests for information and documentations.	The Montior's statement that the Applicants have failed to provided responses in a timely manner is incomplete and accordingly misleading. The Applicants have tried, and continue to try, to comply with the Monitor's requests in a timely manner. As the Monitor is aware, and as previously explained, the Applicants and management have limited resources, which have been and continue to be severely strained as they strive to, among other things, balance the day-to-day management of the Applicants' business, respond to extensive daily inquiries and address material issues in the CCAA Proceedings.[47] Also, as previously explained, "the Applicants and Management continue to assemble documents and information in connection with other Requests made, as appropriate" and "any non-response to outstanding Requests in this letter is not, and should not be construed as, (a) the Applicants' or Management's refusal to respond to such Requests [...]".[48] The Monitor's statement that there were no Interlude bank statements provided prior to October 2021 is misleading. As the Monitor was advised, inquiries were made with BMO in connection with bank statements from prior to October 2021, and no statements were available.[49] Given that the Monitor appears to have requested and obtained bank statements from certain other financial institutions, the Monitor, like the Applicants, appears to have been unable to obtain bank statements for Interlude Inc. prior to October 2021. In respect of the Monitor's requests for information and documents in respect of numerous entities not subject to the CCAA proceedings, the Applicants have advised

[46] See the Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 71-76, qq. 176-184; and the Clark Transcript, Brief, Volume 1 of 5, Tab 1, p. 21, qq. 54-56.
[47] See the May 13 Bennett Jones to Cassels, Brief Volume 5 of 5 at Tab 35S; and the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[48] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[49] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

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			the Monitor of: (i) certain non-Applicant entities for which no bank statements are available or that are outside of the power, possession and control of the Applicants; (ii) in certain instances, the Monitor's requests are continuing to be considered as such bank statements are not limited to transactions involving the Applicants and appropriate disclosure would require the expenditure of substantial time and resources; and (iii) as reflected above, the Applicants have not transacted with the party for which bank statements have been requested. The Monitor's statement that, beyond certain enumerated responses, it has not received additional information concerning the records of SID Renos, SID Management, Keely Korp, 265 and Sail Away is misleading. As the Monitor was advised on May 28, 2024, (i) Keely Korp Inc. and 2657677 Ontario Inc. are holding companies that do not have bank accounts, bank account statements or general ledgers, and (ii) Sail Away Real Estate Inc.'s bank account statements and general ledgers, if any, are outside of the power, possession and control of the Applicants (the directors, officers and shareholders of Sail Away are Mr. Samuel Drage and Ms. Bronwyn Bullen).[50] The Monitor's statement that the Applicants have "failed to produce any invoices and attendance sheets during the course of the Investigation to substantiate…payments. [...]" is inaccurate and therefore, misleading. According to the Monitor's own findings, the net amount paid to SID Renos is approximately $1.8 million (in respect of renovations totaling approximately $13.6 million, inclusive of renovations to the properties conveyed by certain of the Applicants in the Core Sale).[51] A summary of SID Renos' invoices in respect of approximately $827,233 in vendor rebates as well as copies of each of the underlying invoices have previously been provided to the Monitor.[52] The remainder of the net disbursements consists of SID

[50] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[51] *Supra*, note 4 – Schedule "A".
[52] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

No.	Reference	Summary of the Monitor's Statements/Conclusions[1]	Applicants' Correction/Response
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			Renos' construction management fee, the Accounting Reimbursements, and miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time. The Monitor's statement that the Applicants did not provide the Monitor with any of DSPLN's bank statements in respect of transactions between September 30, 2023-November 10, 2023 is inaccurate and incomplete, and thus, misleading. DSPLN's available bank statements were previously provided to the Monitor. By email dated March 23, 2024, the Monitor was advised that DSPLN's October 2023 bank statement was not available online to the Applicants as the accounts had changed and the old account, closed. The fact that the account had changed is apparent upon review of the September 29, 2023 and November 30, 2023 bank statements. Given that the Monitor appears to have requested and obtained bank statements from certain other financial institutions, the Monitor, like the Applicants, appears to have been unable to obtain bank statements for DSPLN.
10.	S 2.4, ¶5c. S 4.4, ¶6	The Monitor's various stated concerns that the Applicants registered second mortgages on properties "in instances where statutory declarations were signed providing that no second mortgages would be registered (in some cases, absent consent of the Investor) […]"	This is misleading. Nothing suggests that this issue was pervasive or that it even extended beyond the three properties referenced at footnote 16 and s. 4.4, ¶6 of the Report (being three of 407 properties owned by the Applicants, and three of the Applicants' approximately 390 first mortgage loans). Moreover, this was an issue for Windrose. Again, the Applicants generally did not deal with lenders directly. Prior to obtaining a second mortgage in respect of any of the properties, the relevant Applicant advised the mortgage broker, Windrose, of its intention to do so and sought mortgage statements. The mortgage broker never advised whether it sought such consent or relayed the applicable Applicants' intention to obtain a second mortgage loan to the applicable first mortgagee.
11.	S 4.4, ¶3-4	The Monitor's various statements regarding the references to a "guarantor" in the promissory notes, the significance, if any, of such references, and discussions surrounding the references to a "guarantor".	The Monitor's statements are incomplete and accordingly misleading. All or substantially all of the Applicants' first mortgage loans and promissory notes were prepared by Windrose and Lion's Share, as applicable. Such first mortgage

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			loans and promissory notes are devoid of any description of a guarantee purportedly provided therein (if any). A cursory review of such first mortgage loans and promissory notes makes clear that the only references to "guarantor" or a "guarantee" appear in the defined term "Guarantor", a signature line for the "Guarantor" (which often appeared as "Mortgagor/Borrower" or "Borrower/Guarantor" and not "Guarantor") and the ability to "register" the promissory note on any or all property owned by the "Guarantor". Ms. Butt, Mr. Molony and Mr. Suitor are not lawyers and cannot be expected to provide a legal opinion or analysis regarding the significance, if any, of the reference to a "guarantor" in the promissory notes. The suggestion that they should is unfair. The Monitor's statements regarding discussions surrounding the significance of discussions, if any, between the Applicants and Ms. Drage omit Ms. Drage's testimony on this point and are accordingly misleading. Ms. Drage specifically admitted that there was no such discussion. She testified "I don't recall any specific discussion. My understanding, based on their expertise and the fact that they already owned real estate and the training and support they already had prior and personal guarantee being a standard phrase or wording, that there was an understanding of their knowledge and understanding of what that meant." Ms. Drage reiterated "I don't recall a specific discussion with regard to that. I don't recall."[53] No explanation is offered by the Monitor for the Monitor's reliance on Ms. Drage's subsequent, contradictory, and self-serving testimony that her practice was to have a discussion regarding guarantees as part of an onboarding process.[54] No such call occurred.

[53] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 114, q. 269.
[54] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 108, q. 253.

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			The suggestion that the Monitor became aware of a potential challenge to the guarantees during the interviews is incorrect. As reflected in the endorsement of the Honourable Madame Justice Kimmel dated January 23, 2024, the Court, the Monitor and other parties in these proceedings were advised that the Applicants had concerns regarding the validity and enforceability of the purported guarantees.
12.	S 4.5, ¶4, 5, 9	The Monitor's various statements and conclusions regarding the proceeds of the Core sale, the amounts disbursed, and the purported promissory notes in favour of the Applicants in lieu of payments, and records regarding the proceeds of the Core sale, including in respect of the purported $11,082,375.97 in promissory notes in favour of the Applicants, comprised of: (a) $1,553,485.62 to DSPLN; (b) $1,553,485.62 to Pink Flamingo; (c) $1,463,882.12 to Happy Gilmore; (d) $1,463,882.12 to Multiville; (e) $4,356,788.93 to Interlude; and (f) $690,851.55 to Joint Captain.	The Monitor's various statements are generally factually incorrect. The trust ledger previously provided to the Monitor makes clear that the $22,682,895.92 referred to in the Report is "Disbursements Before Promissory Notes". As the Monitor has been advised by the Applicants, and as confirmed in the interview of Ms. Drage, the promissory notes referenced were with third party lenders in connection with the properties sold as part of the Core Sale.[55] As the trust ledger reflects, following the repayment of such promissory notes, $11,600,519.96 was to be disbursed to the Applicants, including several non-Applicant vendors and certain individual vendors each of which owned property conveyed in the Core Sale. Of this amount, $2,709,979.55 was due to the Applicant vendors. In addition, the Report omits that the sole payment contemplated by the trust ledger to a Principal of the Applicants was in respect of real property owned by such Principal personally that was conveyed in the Core Sale. In respect of the purported promissory notes in favour of the Applicants in lieu of payments, the Monitor was specifically advised that its assumption was factually incorrect. The amounts listed were amounts *repaid* to unsecured lenders. No such funds were paid to the Applicants or their principals in the form of promissory notes. The $11,082,375.97 represented repayments to lenders made by: (a) Dylan Suitor and entities controlled by Dylan Suitor;

[55] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 74-78, qq. 170-174.

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			(b) Aruba Butt and entities controlled by Aruba Butt; (c) Ryan Molony and entities controlled by Ryan Molony; and (d) Joint Captain Real Estate Inc., all in respect of amounts owing pursuant to the promissory notes issued in connection with properties sold pursuant to the Core Sale. The letter clearly states that "these are not promissory notes that were issued to the above-captioned parties."[56] The Applicants' response was corroborated by Ms. Drage, who confirmed that the proceeds of the Core Sale were used to repay all relevant lenders, with the exception of certain Lion's Share promissory notes, which were not repaid, with Lion's Share's consent.[57] The Monitor appears to have ignored the only explanation provided to it for the $11,082,375.97 in payments and instead concluded that the payments were made to the above-captioned parties. There was no basis to do so.

[56] See the June 10, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35AA.
[57] See the Drage Transcript, Brief, Volume 5 of 5, Tab 5, pp. 74-75, qq. 169-173.

No.	Reference	Excerpt of the Monitor's Statement/Conclusion[58]	Applicants' Correction/Response
Specific Responses to the Monitor's Various Statements and Conclusions			
1.	S 4.2, ¶11	"According to the First Clark Affidavit, in June 2022, in an effort to assist the Applicants' severe liquidity issues, SID Management and SID Renos temporarily ceased charging the LTB Fees and the Construction Management Fees." It remains unclear if these fees were actually "ceased" or whether they were simply accruing as further Applicant debt.	In his interview, Mr. Clark explained that, while he was not sure about SID Management, SID Renos never charged a management fee from June 2022. The only payments made to SID Renos would have been vendor rebates, the Accounting Reimbursements, and reimbursements for miscellaneous expenses incurred by SID Renos on the Applicants' behalf from time-to-time.[59] As explained further at q. 17 in the appendix to the May 28, 2024 Letter, "[t]o the Applicants' knowledge, and as reflected in the Affidavit of Robert Clark sworn January 23, 2024, SID Renos' construction management fees began to be invoiced but not paid in June 2022." Ms. Butt similarly testified to the effect that at some point in time the fees began to be invoiced but were not paid.[60] The fees are accruing as further Applicant debt.
2.	S 2.4, ¶5b	In addition, the Monitor has concerns regarding the following issues that were discovered during the Investigation: [...] b. a failure to appreciate or take appropriate steps to mitigate a conflict of interest arising as a result of Mr. Drage and Ms. Bullen's employment with the Windrose Group and familial relationship with Ms. Drage, who acted as the Applicants' broker;	Mr. Drage's and Ms. Bullen's involvement as officers of any of the Applicants was limited to Joint Captain Real Estate, which was incorporated on February 23, 2021. To the extent that a conflict of interest existed, the Applicants reasonably believed that, if any issues arose from the relationships described in the Report, Ms. Drage, their mortgage broker, would have raised them with the Applicants. However, not only did Ms. Drage fail to raise any issue with these relationships, but she also actively "encouraged [such relationships]".[61]
3.	S 4.1, ¶2 S 5.7, ¶9	[…]. As described in section 5.7 below, many of the Applicants paid rent to Paradisal Bliss to use the Burlington Office (notwithstanding that, save for Mulligan, the Applicants have no employees).	This is inaccurate and inconsistent with information previously provided to the Monitor. As the Monitor was previously advised, the Burlington Office is the registered office of each of The Pink Flamingo Inc., DSPLN Inc., Balboa Inc., Multiville Inc., Happy Gilmore Inc., Joint Capitan Real Estate Inc., and the Mulligan Inc. The Office has been predominantly used by employees of SID Management Inc. As reflected in the

[58] Unless otherwise noted, excerpts provided herein omit the applicable footnote appearing in the Report.
[59] See the Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 99-102, qq. 322-329.
[60] See Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 40-45, 109-117; May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[61] See the Butt Transcript, Brief, Volume 2 of 5, Tab 2, pp. 78-80, qq. 188-190.

			interview of Mr. Molony, the Burlington Office is also used by Mr. Molony and certain staff of SID Renos.[62] As previously explained, no rent was actually collected prior to the CCAA Proceedings.[63] SID Management began leasing the office in May 2021. It was charged $5,000/month on a month-to-month basis (the "**Monthly Rent**"), which was intended to be expensed to and paid by the Applicants. However, SID Management ultimately offered the Applicants rent concessions in respect of the total amount of the Monthly Rent. Prior to the commencement of the CCAA Proceedings, "SID Management Inc. and the Applicants had contemplated formally codifying their rent arrangement and ceasing to offer rent concessions."[64] After the commencement of CCAA Proceedings and as the Monitor is aware, a single payment was made to SID Management.
4.	S 4.1, ¶3	"In addition to the information provided in Appendix 3, the Monitor discovered that Mr. Clark has an undocumented ownership interest in the Applicants. Mr. Clark obtained an ownership interest in the Applicants "mainly through [his] wife" (i.e., Ms. Butt), but also through the Applicants not owned by Ms. Butt. […]."	Mr. Clark did not "obtain an ownership interest in the Applicants "mainly through [his] wife". As Mr. Clark explained in his interview, he simply "views" himself as "being a part owner in the applicants" because his wife, Ms. Butt is a shareholder and Mr. Clark and Ms. Butt do not have a prenuptial agreement and have been working together for 10 to 12 years. As he clearly stated, "there is no formal agreement" with Ms. Butt establishing an ownership interest.[65]
5.	S 4.2, ¶5-6	"By way of example, in January 2024, SID Management collected $155,990.89 on behalf of Interlude in rent from Interlude's tenants […] Despite owning approximately 108 properties and collecting nearly $156,000 in monthly rent, Interlude was left with less than $37,500 to cover interest payments and other costs."	This statement is taken out of context, and is incomplete and misleading. The deductions in January 2024 were specifically applied in consultation with, and with the approval of, the Monitor. They include irregular payments relating to contractors and insurance, including arrears owing, that are not typically paid in this manner, but were paid in this instance in consultation with, and with the approval of, the Monitor. The Monitor has access to partner statements that reflect customary deductions, but has elected not to refer to such statements, without explanation.[66]
6.	S 4.2, ¶8	The Monitor notes (for illustrative purposes, while acknowledging that interest expenses could differ significantly in January 2024) that Interlude's interest expenses	This is misleading. It unreasonably assumes that the promissory note interest expenses are accurate, notwithstanding that (i) the Applicants raised early concerns

[62] See the Molony Transcript, Brief, Volume 3 of 5, Tab 3, pp. 85-86, qq. 323-331.
[63] See the April 10, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35M.
[64] See the April 10, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35M.
[65] See the Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 6-7, qq. 9-14.
[66] Enclosed as Schedule "I" of Interlude Partner Statements for February, March, and April 2024.

		in 2022 exceeded $1.7 million (approximately $142,000/month) leaving a shortfall of over $100,000/month.	regarding overstated unsecured debt; (ii) more recently provided disclosure to the Monitor regarding the overstated promissory notes, and (iii) the Monitor itself concedes that no claims process has been undertaken. It similarly assumes that (i) further renovations that would generate additional rental income would not be completed and (ii) no broader refinancing or restructuring solution capable of reducing the Applicants' interest expense is obtained, each being principal purposes for the commencement of these proceedings,[67] as reflected in the Affidavit of Robert Clark sworn January 23, 2024.
7.	S 4.3, ¶3	"At the time of the First Clark Affidavit, approximately 424 of the 631 units were tenanted generating approximately $500,000 in gross monthly rent. Despite the Applicants stating that SID Renos continuously performed renovation and construction services for the Applicants, a significant number of the Applicants' Properties remain uninhabitable as a result of damage and/or disrepair. The Monitor has discovered that numerous Properties are in such a dilapidated state that officials have alleged numerous building code violations and/or brought provincial offence charges against numerous Applicants."	This is incomplete and thus, misleading. This ignores the Core Sale of certain of the Applicants' fully-renovated and stabilized properties, and that the Applicants' business is premised upon buying undervalued and distressed real estate.[68] It is entirely unsurprising that, as a result of their liquidity issues, the Applicants were unable able to pay for the renovation of all of their owned properties and that some properties remain unrenovated. As the Monitor is aware, a principal purpose of these proceedings was to acquire the interim financing necessary to complete the Applicants' as yet unrenovated properties and to secure a comprehensive refinancing solution upon the stabilization of the Applicants' portfolio. Such interim financing was, as the Monitor is aware, obtained. It expressly contemplates approximately $4.1 million in value accretive renovations being completed in the course of these proceedings. Ms. Drage admitted in her interview that the buy, renovate, rent, refinance, rinse and repeat strategy (BRRRRR) is a common real estate investment strategy.[69]
8.	S 4.4, ¶13	"The Monitor noted during the Investigation that multiple promissory notes would sometimes be taken out in relation to a particular Property. For example, with respect to 261 Kimberly Avenue in Timmins, Ontario, Mr. Suitor, on behalf of Interlude, borrowed funds pursuant to a first mortgage and five promissory notes (totaling $345,672.19, well in excess of the $129,900 purchase price that Interlude paid on March 16, 2022) registered on title of the Property. Notably, the $200,000 first	This is incomplete and accordingly, misleading. The Monitor has been provided with a document setting out each of the Applicants' properties and the quantum of first mortgage loans, second mortgage loans and promissory note indebtedness. As reflected therein, between one and two promissory notes were generally issued referencing a property.

[67] See the Affidavit of Robert Clark sworn January 23, 2024
[68] As reflected in Section 4.4 of the Report and the Affidavit of Robert Clark sworn January 23, 2024
[69] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, p. 7, q. 10.

		mortgage was signed on March 15, 2023 (well after the Applicants knew the "runway" from the Core Sale (defined herein) had run out), and one of the promissory notes was renewed as late as December 6, 2023."	Many of the promissory notes were for shortfalls and closing costs, the proceeds of which were not directed to the Applicants. An additional promissory note was often issued in connection with renovation costs. In certain instances, additional promissory notes were issued, including in favour of Lion's Share, in respect of interest payments that had accrued or been deferred. As the Monitor has previously been advised, the Applicants did not participate in the drafting of the promissory notes issued in favour of lenders sourced by Windrose. The Applicants similarly seldom had input on which property was referred to in any given promissory note sourced by Windrose. Rather, Windrose frequently selected the real property to be referred to in, and prepared each, promissory note and delivered same to the Applicants for execution.[70] The 261 Kimberly Avenue property is unique in respect of the number of promissory notes issued and their aggregate quantum relative to the estimated value of the property. It is not representative of all, substantially all, or even a majority of the properties owned by the Applicants. The first mortgage loan executed on or about March 15, 2023 refinanced a prior loan. As such, the proceeds were not received by the Applicants. Three of the five promissory notes issued were in favour of Lion's Share in respect of accrued or deferred interest. The Applicants accordingly did not receive any proceeds from such promissory notes.[71] Lion's Share knew or ought to have known of the fire at 261 Kimberly Avenue because the Applicants had, as previously advised, apprised Windrose of the fire. As Mr. Suitor explained, "a number of [the] promissory notes never hit my bank account or any bank account of an applicant." According to Mr. Suitor, the proceeds from at least one of the promissory notes were directed to the lawyer. Mr. Suitor believes that the transfer was made by Lion's Share directly.[72] Moreover, as explained in the response to Request #29 made at the Interview of Dylan Suitor held May 26, 2024, "[t]he Applicants are unaware of a new promissory note being issued subsequent to the fire at the property located [at] 261 Kimberly

[70] See the March 20, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35H.
[71] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[72] See the Suitor Transcript, Brief, Volume 4 of 5, Tab 4, pp. 191-195, qq. 546-553.

			Avenue other than promissory notes that were renewed." Instead, the Applicants renewed the existing promissory notes at or in anticipation of their maturity to, among other things, conserve the Applicants' liquidity while they continued to pursue a comprehensive refinancing solution.
9.	S 4.4, ¶19	"In at least one other case, Mr. Suitor signed a promissory note renewal associated with a particular property (29 Hughes Street, Sault Ste. Marie, Ontario) after the Property had already been sold."	This misattributes conduct to the Applicants when the conduct at issue was that of Windrose, and accordingly, is inaccurate and misleading, including for the reasons set out immediately above. Where, as was the case here, the prior promissory note had already matured and the lender had previously agreed to, and executed, a renewal, Windrose would insist upon the Applicants' prompt execution of the promissory note (the request often being made in respect of numerous promissory notes simultaneously). Interlude Inc. did not review the promissory note at issue in detail prior to its execution given the information available to Windrose, Windrose's insistence that it be executed and Windrose's experience in sourcing and preparing substantially all of the Applicants' unsecured promissory notes not otherwise issued in favour of Lion's Share. Had it done so, it would have brought the sale of the 29 Hughes Property to Windrose's attention. The Applicants note, as the Monitor has previously been advised, that having the same principal as Lion's Share – being the first mortgagee of the 29 Hughes Property – it is remarkable that Windrose did not apprise the lender of the sale of the 29 Hughes Property, raise the issue with Interlude Inc., or provide a revised promissory note for execution.[73] Regardless of the sale of the 29 Hughes Property, Interlude Inc. remains the borrower under the promissory note. The indebtedness matured as a result of the sale of the property based on the terms of the promissory note.
10.	S 5.1, ¶3	"The evidence obtained during the interviews suggests that the Applicants (in addition to many of the non-Applicant related entities) operated in a collective manner, rather than as individual entities and, if one company needed funds, the companies listed above would "support each other if needed", regardless of whether the company was	This is misleading. It is at best unclear, whether Mr. Clark, whose testimony the Monitor relies upon for this proposition, was referring to just the Applicants when he discussed the intercompany transfers.[74]

[73] See the March 20, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35H.
[74] See the Clark Transcript, Brief, Volume 1 of 5, Tab 1, pp. 18-19, qq. 47-49.

		within the Applicant group of companies or outside of that group (and/or notwithstanding that these related party transfers were not contemplated in most of the Applicants' first mortgage agreements and promissory note loan agreements)."	All or substantially all of the first mortgage loan proceeds were used to acquire the properties and would not have been available to the Applicants to fund the intercompany transfers. Approximately $16.8 million of the proceeds of the promissory notes were similarly not received by the Applicants. All or substantially all of the promissory notes that gave rise to proceeds available to the Applicants do not contain any covenants, representations and/or warranties regarding the use of the funds, whether in respect of a particular property or otherwise, and in any event, there is no distinction drawn within the Report between the Applicants' use of the proceeds of promissory notes and their respective rental revenue.
11.	5.3, ¶2	Shortly after the proceeds of the Core Sale were depleted, the Applicants began missing interest payments to their lenders and any pre-authorized payments would be returned as NSF. Notwithstanding the occurrence of dishonoured payment obligations, many of the Applicants continued their previous practice of frequent, high-value transfers to other Applicant companies, the SID Companies, the Non-Applicant Parent Cos, the Principals and/or other related entities instead of paying their obligations as they come due, particularly debt service costs to the Secured Lenders or Unsecured Lenders.	This is misleading. While certain payments may have been missed from time-to-time, the Applicants were generally current on all debt service costs through 2022, as Ms. Drage confirmed.[75]
12.	S 5.3.5, ¶3	In addition to the foregoing, the Monitor identified a total of $5,092,714.16 in payments from the Applicants coded as "DEFT SETTLEMENT" and/or "DEFT ITEM" payments. While the Applicants' counsel stated that these disbursements "reflect lender repayments to the Windrose Group", it is clear to the Monitor that this is an incomplete answer, as the following transactions are also coded as "DEFT SETTLEMENT" payments: [...].	This is incorrect and therefore, misleading. The March 15, 2024 letter relied on in support of this statement contains two questions raised by the Monitor in respect of transactions labelled as (i) "Loan Payment:Deft Settlement (345,881.26)" and (ii) "Loan Repayments (332,123.43)". The Monitor has not made inquiries regarding all transactions coded as "DEFT SETTLEMENT" and/or "DEFT ITEM" or particularized the transactions at issue comprising the "total of $5,092,714.16 in payments" referred to in the Report. Notably, BMO also labels electronic fund transfers (including as used from time to time to (i) pay contractors, and (ii) repay lenders by e-transfer to payments@thewindrosegroup as requested by Windrose[76]) as DEFT Settlement.
13.	S 5.4, ¶2-3	In particular, the Monitor has seen a number of examples (both before and after the Core Sale) where substantial funds were paid into an Applicant company (whether	This statement omits or ignores information provided to the Monitor. In certain circumstances, funds paid to an Applicant company were transferred out in order to

[75] See the Drage Transcript, Brief, Volume 5 of 5, Tab 5, pp. 47, qq. 103.
[76] See the Drage Transcript, Brief, Volume 5 of 5 at Tab 5, pp. 44, qq. 95.

		from Nekzai Law, Lion's Share, Windrose or an unidentified source in respect of a promissory note, mortgage proceeds, or payments otherwise characterized by the Applicants as a housing loan) and, over the course of mere days or weeks, depleted in large part or entirely through transfers outside of the group of Applicant companies.	continue to progress renovations and the overall portfolio, instead of the funds being depleted by pre-authorized payments, or new borrowed money being used to pay existing debt obligations, in an exercise of business judgment.[77] In others, funds were transferred for the purpose of reimbursements of the Applicants' ordinary course expenses, including to non-Applicant entities with corporate credit cards.
14.	S 5.7, ¶7	Despite this explanation, the Monitor identified that a Promissory Note Renewal was issued to Old Thing Back in respect of the property located at 454 Eva Avenue while it was in Old Thing Back's possession. In particular, Mr. Suitor signed the Promissory Note Renewal on behalf of Old Thing Back on November 7, 2023. The fact that this renewal was signed by Mr. Suitor in November 2023 causes the Monitor to doubt the accuracy of the Applicants' assertion that they were unaware of the transfers to Old Thing Back until January 2024. It is also inconsistent with the assertion that the transfer was "inadvertent" and/or that "no proceeds" resulted from the transfer. In fact, it appears that proceeds were retained, rather than repaid, as a result of the transfer.	This is incomplete and as a result, misleading. As the Monitor was previously advised, the inadvertent transfers referenced in the Report – each of which was reversed – impacted three of the properties currently owned by the Applicants.[78] In contrast to the promissory note that was renewed by Old Thing Back in connection with the 454 Eva Avenue property, the sole unsecured promissory note to be renewed during the period in which the inadvertent transfers of the three properties occurred was renewed with the correct borrower, Interlude Inc. No promissory notes were, to the Applicants' knowledge, issued or renewed with respect to the third impacted property during the relevant period, as the Monitor has been advised. Notably, the Monitor omits that the Applicants have confirmed that, given the inadvertent transfer, they are prepared to treat the indebtedness under the affected promissory note as an obligation of Interlude Inc., subject to obtaining the Monitor's consent and any requisite Court approval and confirming the accurate quantum of such indebtedness.[79] In light of the foregoing, the Monitor's doubt as to the accuracy of the Applicants' assertion is unfounded. The Monitor's critique of the Applicants' observation that no proceeds resulted from the transfer of 454 Eva Avenue from Interlude Inc. to Old Thing Back, which was made in response to a request to "provide details of the use of proceeds of sale", is baseless. There were no proceeds of sale. The promissory note's renewal did not give rise to additional funds.

[77] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.
[78] See March 15, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35G.
[79] See May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

15.	6.0, ¶5	It is concerning to the Monitor that many of the pre-filing sales were made to what appear to be non-arm's length parties. In particular, the Monitor notes that there were numerous sales to MTDS Investments Inc. and MT Deez Inc., which are corporations owned by [redacted], Mr. Suitor's chief of staff at Conduit Asset Management Inc. Mr. Suitor denied having an interest in these entities and claimed that MTDS does not stand for "[redacted] Dylan Suitor". Even if true, the transfer of the Applicants' Properties to Mr. Suitor's employee appears unusual.	This is incomplete, and accordingly, misleading. The properties were sold at market value, and in many instances, had multiple offers. The most favourable offer was that of MTDS or MT Deez, as applicable. Proceeds were used to pay down debt.
16.	7.0, ¶6	Transfers by the Applicants to SID Renos were partially explained by the services SID Renos was providing. However, given the Applicants' issues renovating their Properties, the Monitor has concerns about the competency of SID Renos and the value the Applicants were receiving.	This is unclear, and largely unsubstantiated. It is unclear what "issues renovating [the] Properties" are being referenced. Furthermore, the Monitor omits the fact that SID Renos has completed approximately 100 unit renovations since April, 2024 and had previously provided services in connection with the Applicants' fully renovated and stabilized properties sold in the Core Sale.
17.	7.0, ¶11	The pre-filing sales demonstrate that the Applicants had insufficient equity in those properties to discharge the unsecured debt associated with those properties. Accordingly, the inability to repay creditors in a liquidation scenario points to the lack of a viable exit strategy.	This is an improper generalization. The pre-filing sales generally related to properties that were deemed in an exercise of business judgment to be unprofitable, and accordingly, were sold. The poor return on certain of the pre-filing sales is indicative of nothing more than the fact that those particular properties were unprofitable. The reference to a lack of a viable exit strategy omits or ignores the substantial disclosure provided to the Monitor regarding the Applicants' refinancing efforts.[80]

[80] See the May 28, 2024 Bennett Jones Letter to Cassels, Brief Volume 5 of 5 at Tab 35Y.

TAB P

THIS IS **EXHIBIT "P"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Total paid:	**134,390.94**
Deductions:	
Management Fee on Total lease 7.5%	12,054.74
New Rental Fee (50% First Month's Rent)	
278 Mountjoy Unit a	450.00
31 Windsor Unit 1	675.00
369 Suffolk	900.00
Maintenance Cost	2,913.75
HST [712000082RT0001] 13.00%	2,209.15
Total Management, Maintenance & New Rental Fee:	**19,202.64**
Expenses Covered by SID Management:	
269 Kimberly Unit 7 L1, court	791.00
557 A Norman L1, court	791.00
269 Kimberly Unit 2 L1, court	791.00
491 Second Court	565.00
HomeDepot	276.47
Office Rent Jan/Feb	1,281.30
Recon Retainer	1,875.00
Total Deductions:	**25,573.41**
Total owed to you:	**108,817.53**

Total paid:	**131,522.70**
Deductions:	
Management Fee on Total lease 7.5%	12,001.63
New Rental Fee (50% First Month's Rent)	-
Maintenance Cost	3,251.25
HST [712000082RT0001] 13.00%	1,982.87
Total Management, Maintenance & New Rental Fee:	**17,235.76**
Expenses Covered by SID Management:	
Telelink	264.00
Total Deductions:	**17,499.76**
Total owed to you:	**114,022.94**

Total paid:	**169,690.07**
Deductions:	
Management Fee on Total lease 7.5%	11,893.45
New Rental Fee (50% First Month's Rent)	-
381 Eva	1,250.00
44 Cameron	875.00
Management Fees on Sub-Contractor 7.5%	6,041.28
Maintenance Cost	2,216.25
HST [712000082RT0001] 13.00%	2,895.88
Total Management, Maintenance & New Rental Fee:	**25,171.86**
Expenses Covered by SID Management:	
455 Percy L1	226.00
269 kimberly Unit 2 Lockout	395.50
329 Goulais Court	565.00
166 Maple S Court	565.00
Telelink	588.55
Total Deductions:	**27,511.91**
Total owed to you:	**142,178.16**

TAB Q

THIS IS **EXHIBIT "Q"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Rivard Engineering

P.O. Box 223
Timmins, Ontario P4N 7C9

Tel: 705.268.5501
Fax: 705.268.5502

May 21, 2024

Mr. Sahil Nayak
269 Kimberly Ave.
Timmins, Ontario

Dear Sir,

Re: Structural Evaluation
269 Kimberly Avenue,
Timmins, Ontario
Our reference RE # 24-050

Per your request, and inspection of the building at 269 Kimberly Avenue, Timmins, Ontario was performed in order to review the structural condition of the building. We note that the building has 7 rental units, with none of them being occupied. The 3 main floor apartments were not inspected due to the doors being boarded up and the ability to gain access to enter. As part of our inspection we were able to enter and review the basement apartment and 3 apartments on the second floor. All 4 apartments inspected were damaged by break ins, vandalism and require cleaning and repairs.

Having inspected the building we note that the building was generally not in good condition, and had some specific structural concerns. The major structural issues reviewed in the basement were existing windows did not have any lintels, log beams at north and south end of building are not properly supported, have been improperly notched to clear obstructions such as plumbing and have signs of rot. North covered porch floor framing has a cracked floor joist and was tied into the buildings rim joist that is undersized based on its current spans. The rim joists in question is also damaged/split most likely due to it being undersized. No major cracks or concerns were observed with the concrete foundation walls where visible at the time of our inspection. The building was not heated and didn't have electricity. As such the building requires repairs and renovations with some obvious areas of concern, related to broken glass and barricaded windows and doors. The structural issues need to be remedied. There are no imminent signs or issues that could cause the structure to collapse. The attic space was not inspected.

We trust that the above will be helpful at this time. As discussed, the building shouldn't be occupied by tenants until the structural concerns in the basement apartment are resolved. The building needs a significant amount of work and maintenance to make it reasonable acceptable as a housing unit. This interior work needs to be performed immediately in order to prevent any further deterioration of the units. The building will also require heating prior to winter to prevent frost damage. This structure can be repaired and restored for occupancy and is in no immediate danger of collapse.

Sincerely,

Kevin Russell
Rivard Engineering

LICENSED PROFESSIONAL ENGINEER
A N. RIVARD
May 21 2024
PROVINCE OF ONTARIO

Aime N. Rivard, P.Eng.,
Rivard Engineering

TAB R

THIS IS **EXHIBIT "R"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

From: Joshua Foster
To: J.O. Lambert; David Sieradzki; Ryan Molony; Steph Palmateer
Cc: Bellissimo, Joseph; Dave Landers; Jacobs, Ryan; Julie Moisan; Marc Gelinas; Noah Goldstein; Sahil Nayak; Sherry Laneville; Sean Zweig; Robert Clark; Nathalie El-Zakhem; Thomas Gray
Subject: RE: 269 Kimberly - Update
Date: Thursday, May 23, 2024 7:14:53 PM
Attachments: image005.jpg
image006.png
image007.jpg
image008.png
image009.png

Mr. Lambert,

We are counsel to Interlude Inc. and each of the other Applicants in the CCAA Proceeding. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in Mr. Bellissimo's letter dated April 29, 2024 (the "**April 29 Letter**").

It is remarkable that Timmins' By-Law Enforcement arm views the May 21, 2024 report obtained by Interlude Inc. from Rivard Engineering (the "**Report**") in respect of the property located at 269 Kimberly Avenue, Timmins, Ontario (the "**Property**") as being capable of "confirming its initial assessment that the property is beyond repair and poses a threat to any occupants". As you are aware and as the Monitor has highlighted, the Report provides, in relevant part, that "[t]here are no imminent signs or issues that could cause the structure to collapse" and the "structure can be repaired and restored for occupancy and is in no immediate danger of collapse". Unfortunately, it appears that Timmins has arbitrarily determined that the Property must be demolished.

It is similarly remarkable that Timmins has "little faith" in Interlude Inc.'s ability to remedy the Property in due course and has difficulty understanding Interlude Inc.'s desire, exercising its business judgement, to expend resources renovating the Property. Each ignore that:

a. the Applicants, including Interlude Inc., have been authorized to borrow under a Court-approved debtor-in-possession credit facility in the principal amount of $12,000,000 for, among other purposes, completing renovations to the Applicants' properties that are estimated to be in the aggregate amount of $4,100,000;
b. prior to the CCAA Proceeding, the Applicants have successfully completed hundreds of renovations, including a significant number in Timmins;
c. during the CCAA Proceeding, the Applicants have completed, and continue to complete, numerous renovations on their owned properties, with the oversight of the Monitor;
d. the success of the Applicants' refinancing and restructuring efforts in the CCAA Proceeding depends, in significant part, on their ability to complete value-accretive renovations on their incomplete properties to create a stabilized portfolio of assets;
e. as evidenced by Mr. Molony's updates provided to Timmins below on May 2, May 9, and May 21, 2024, Interlude Inc. has been making good faith efforts to identify and rectify the issues required to be resolved in respect of the Property – indeed, it has already expended funds and resources on the Property to this end; and
f. Timmins has declined to engage directly with Mr. Molony, on behalf of Interlude Inc., with respect to a consensual path forward to renovate the Property in a manner and time period reasonably satisfactory to Timmins.

Though you have suggested that there is ample authority in support of Timmins' position, you have not identified a single case addressing the intersection between section 11.1 of the CCAA and the *Building Code Act*, *1992*. We are not aware of such a case. Contrary to your suggestion, it appears far from clear that:

a. Timmins can proceed with a demolition that is entirely premised on non-compliance with an order that *required* Interlude Inc. to expend monies to ensure compliance therewith – compelled financial activity that is stayed pursuant to the Initial Order;
b. to the extent that Timmins proceeds with the demolition of the Property, any effort, or step it takes, to recover its costs in doing so would not constitute the enforcement of a payment ordered by Timmins subject to the stay of proceedings in accordance with subsection 11.1(2) of the CCAA; and
c. the demolition of the Property, which "can be repaired and restored for occupancy and is in no immediate danger of collapse", is in the public interest.

You are correct that the Applicants may apply to the Court pursuant to subsection 11.1(3) of the CCAA to enforce the Applicants' stay of proceedings as against Timmins. It is equally open to the Applicants to seek a declaration from the Court that Timmins is now, or if it proceeds with the demolition of the Property and seeks reimbursement of its costs will be, seeking to enforce its rights as a creditor in contravention of the stay of proceedings. Timmins is similarly entitled to seek advice and directions as to whether it is entitled to proceed with its proposed demolition in the face of the stay of proceedings (which, to be clear, the Applicants contest). We are hopeful that none of these steps will be necessary and that a reasonable and mutually agreeable path forward can instead be pursued by Timmins and Interlude Inc., with the assistance of the Monitor.

Finally, we strongly disagree with your suggestion that the April 29 Letter conveniently omitted Timmins' applicable rights under the CCAA (if any). The Monitor provided Timmins with the full text of the relevant paragraph of the Initial Order and its position with respect to same. The excerpted text plainly enumerates the exceptions to the stay of proceedings under the Initial Order. As we have noted above, it is far from clear in the circumstances that Timmins may avail itself of such exceptions.

We trust that Timmins will engage in good faith with Interlude Inc. and, to the extent helpful, the Monitor, in a consensual path to renovating the Property in a manner and time period reasonably satisfactory to Timmins.

Kind regards,

Josh

Joshua Foster, *Associate,* Bennett Jones LLP
T. 416 777 7906 | F. 416 863 1716

From: J.O. Lambert <jolambert@grienerlambert.ca>
Sent: Wednesday, May 22, 2024 4:17 PM
To: David Sieradzki <dsieradzki@ksvadvisory.com>; Ryan Molony <ryan@siddevelopments.ca>; Steph Palmateer <Steph.Palmateer@timmins.ca>
Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Dave Landers <Dave.Landers@timmins.ca>; Jacobs, Ryan <rjacobs@cassels.com>; Joshua Foster <FosterJ@bennettjones.com>; Julie Moisan <Julie.Moisan@timmins.ca>; Marc Gelinas <mygcontracting@gmail.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; Sean Zweig <ZweigS@bennettjones.com>; Robert Clark <robbywclark@gmail.com>; Nathalie El-Zakhem <nelzakhem@ksvadvisory.com>
Subject: RE: 269 Kimberly - Update

Mr. Sieradzki:

The Building Code Act and the City's Property Standards By-Law are clear that non-compliance with the order is the element that permits the City to proceed with enforcement and demolition: not whether or not the structure is in immediate danger of collapse.

The City's By-Law Enforcement arm views the report as confirming its initial assessment that the property is beyond repair and poses a threat to any occupants, including those who continue to access the property clandestinely for lack of supervision of the debtor.

The engineer's report suggests that substantive work is required to bring the property to compliance. Unfortunately, the City holds little faith in Mr. Molony's assertions that the property will be remedied in due course. In fact, the City has a difficult time understanding why ***any*** stakeholder in would view the repair of the property as a judicious use of the limited resources available to carry on the business of the debtor.

Mr. Molony had an opportunity to appeal the order within the period specified in the Building Code Act, but failed to do so. The order is now confirmed and the City may proceed with enforcement.

Mr. Bellissimo's letter to Mr. Palmateer of April 30 conveniently omitted to reference the City's right under the CCAA to proceed with enforcement of its by-law for health and safety purposes.

If Mr. Bellisimo truly believes that the City's demolition of the structure runs counter to the order made under the CCAA, he is free to ask the court to intervene on your behalf; however, the City asks to be given at least 10 clear business days' advanced notice to challenge the intervention through specialized counsel. Given the clear underlying state of the law, the City would seek to recoup its cost for having to deal with the intervention.

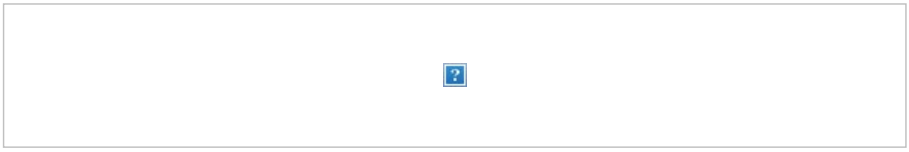
Sincerely,

Jean-Olivier Lambert, JD, Principal
Tel: 705.360.5511 ext 204 Fax: 705.269-5511
Email: jolambert@grienerlambert.ca
Address: Suite 302, 60 Wilson Ave, Timmins, ON P4N 2S7

From: David Sieradzki <dsieradzki@ksvadvisory.com>
Sent: Wednesday, May 22, 2024 1:19 PM
To: Ryan Molony <ryan@siddevelopments.ca>; Steph Palmateer <Steph.Palmateer@timmins.ca>
Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Dave Landers <Dave.Landers@timmins.ca>; J.O. Lambert <jolambert@grienerlambert.ca>; Jacobs, Ryan <rjacobs@cassels.com>; Joshua Foster <FosterJ@bennettjones.com>; Julie Moisan <Julie.Moisan@timmins.ca>; Marc Gelinas <mygcontracting@gmail.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; zweigs@bennettjones.com; Robert Clark <robbywclark@gmail.com>; Nathalie El-Zakhem <nelzakhem@ksvadvisory.com>
Subject: RE: 269 Kimberly - Update
Importance: High

Steph – based on the last line of the Rivard letter, the Monitor does not understand why you intend to take those steps. Your legal counsel should contact the Monitor or the Applicants' legal counsel as you may require court approval before demolishing this property. There is a stay of proceedings in place under the ongoing CCAA proceedings. A call seems to be required urgently, as Ryan indicates. Please respond.

David



From: Ryan Molony <ryan@siddevelopments.ca>
Sent: Wednesday, May 22, 2024 8:58 AM
To: Steph Palmateer <Steph.Palmateer@timmins.ca>
Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Christian Vit <cvit@ksvadvisory.com>; Dave Landers <Dave.Landers@timmins.ca>; David Sieradzki <dsieradzki@ksvadvisory.com>; J.O. Lambert <jolambert@grienerlambert.ca>; Jacobs, Ryan <rjacobs@cassels.com>; Joshua Foster <FosterJ@bennettjones.com>; Julie Moisan <Julie.Moisan@timmins.ca>; Marc Gelinas <mygcontracting@gmail.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; zweigs@bennettjones.com; Robert Clark <robbywclark@gmail.com>
Subject: Re: 269 Kimberly - Update

Steph, are we able to get on a call with a few of our group with the engineer as well? The letter states that it requires structural work and we are working towards rectifying the issue. It also states that it is not structurally impacted that it is going to collapse or fall over, it requires additional support on beams in the basement and potentially a couple of other spots which will be fixed. We'd like to further understand the city's desire to knock this building down when we are willing to spend the funds necessary to repair a building that is not in danger of falling over. Yes, it is not in compliance but we are working there as much as we can to ensure it is back to a livable, affordable housing property in Timmins.

Do you have time today or tomorrow for a call? We would like to continue sending people there, working on the next steps and working with the city. We believe it is in the interest of both parties for us to repair this building and ensure it is brought back to the intended use.

Thank you,

On Wed, May 22, 2024 at 8:38 AM Steph Palmateer <Steph.Palmateer@timmins.ca> wrote:

> Good morning Ryan,
>
> Upon review of the Engineers report supplied by Rivard Engineering it is the opinion of the Enforcement Service Department and the Property Standards Officer that the property is beyond repair and must be torn down. To that end

an RFP for the removal of the house has been issued and closes on May 31. Once a contractor is identified the City intends to remove the structure under the authority provided in Section 11.1(2) of the CCAA.

At this point I do not believe that there is anything that can be done to salvage that dilapidated building.

Thank you.

Steph

Steph Palmateer, AMCT
Director of Community Services & City Clerk
The Corporation of the City of Timmins
Tel: (705) 360-2602
Fax: (705) 360-2674

From: Ryan Molony <ryan@siddevelopments.ca>
Sent: Tuesday, May 21, 2024 10:47 AM
To: Steph Palmateer <Steph.Palmateer@timmins.ca>
Cc: Bellissimo, Joseph <jbellissimo@cassels.com>; Christian Vit <cvit@ksvadvisory.com>; Dave Landers <Dave.Landers@timmins.ca>; David Sieradzki <dsieradzki@ksvadvisory.com>; J.O. Lambert <jolambert@grienerlambert.ca>; Jacobs, Ryan <rjacobs@cassels.com>; Joshua Foster <FosterJ@bennettjones.com>; Julie Moisan <Julie.Moisan@timmins.ca>; Marc Gelinas <mygcontracting@gmail.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; zweigs@bennettjones.com; Robert Clark <robbywclark@gmail.com>
Subject: Re: 269 Kimberly - Update

The email below should have said morning not good afternoon.

Also, as I sent this email I have just received a call from our Project Manager who said that our GC who has been working on this site is at 269 Kimberly with Enbridge. They have been instructed by the city to come and take the gas meter and the building is being taken down? Are we able to all jump on a call, we can give a timeline but we can not be knocking this building down. It is a 7 unit affordable housing building that is desperately needed in Timmins, we are working towards compliance, we have sent an engineering letter, we have started doing work and clean out but we find out the building may still move forward with taking it down. Let us know when a good time to jump on a call will be and we will make ourselves available

Thank you,

On Tue, May 21, 2024 at 10:42 AM Ryan Molony <ryan@siddevelopments.ca> wrote:

> Good Afternoon to all, I hope you had an enjoyable weekend. As per our email thread, we had an engineer go to the property on Friday and have provided us with a letter with their discovery. While it does state that we do have quite a bit of work to bring this building back to where it needs to be, structurally it is not in any danger of collapsing. Rivard discovered we have a few structural parts that they believe should be remedied immediately which we will be taking the steps to proceed forward - I have attached the letter signed by the company for everyone's records. Again, I will state the engineer did confirm this building can be repaired and is in no danger of collapsing. I have a call this morning to go over what will be needed to get the structural issues resolved as well as the next steps for us to begin the renovation process to bring this back to where it needs to be. Our next steps will also involve getting new windows ordered, getting the electricity and gas turned back on and assessing what we will need to update. Permits will be submitted as required and we will be in constant communication with the city to ensure we have this 7 unit building as a safe and secure affordable housing property in Timmins.

I am happy to jump on a call and discuss anything further if required

Thanks,

On Fri, May 10, 2024 at 10:44 AM Steph Palmateer <Steph.Palmateer@timmins.ca> wrote:

> Thank you Ryan,
>
> Please advise us at your earliest convenience.
>
> Steph
>
> **Steph Palmateer, AMCT**
> Director of Community Services & City Clerk
> The Corporation of the City of Timmins
> Tel: (705) 360-2602
> Fax: (705) 360-2674
>
> ---
>
> **From:** Ryan Molony <ryan@siddevelopments.ca>
> **Sent:** Thursday, May 9, 2024 3:59 PM
> **To:** Steph Palmateer <Steph.Palmateer@timmins.ca>
> **Cc:** Bellissimo, Joseph <jbellissimo@cassels.com>; Christian Vit <cvit@ksvadvisory.com>; Dave Landers <Dave.Landers@timmins.ca>; David Sieradzki <dsieradzki@ksvadvisory.com>; J.O. Lambert <jolambert@grienerlambert.ca>; Jacobs, Ryan <rjacobs@cassels.com>; Joshua Foster <FosterJ@bennettjones.com>; Julie Moisan <Julie.Moisan@timmins.ca>; Marc Gelinas <mygcontracting@gmail.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; zweigs@bennettjones.com
> **Subject:** Re: 269 Kimberly - Update
>
>
>
> Good afternoon to all, I want to update that we have our engineer retained on this property. We will know further on the extent of work needed, drawings and permits in the near future. Let us know if anything other information is required but we wanted to update on our end
>
> Thanks,
>
> Ryan Molony
> President
> SID Developments
> PH: 905-580-1372
> Email: ryan@siddevelopment.ca
>
> On Thu, May 2, 2024 at 9:43 AM Ryan Molony <ryan@siddevelopments.ca> wrote:
>
> > Good morning Mr Palmateer, I appreciate your email. On our end we have done the clean out, added external lights, had 2 engineers on site, measured windows and are awaiting a quote for the work. We are going to look to submit for the permit to ensure the job is done as per all requirements. As we work through this process we will have an open line of communication to yourself and other individuals within the city. If there is anything you ever need on our end do not hesitate to give me a call at 905-580-1372.

Thank you again for the line of communication and we look forward to working with you to ensure this property is completed and tenanted

Thanks,

Ryan Molony
President
SID Developments
PH: 905-580-1372
Email: ryan@siddevelopment.ca

On Thu, May 2, 2024 at 9:12 AM Steph Palmateer <Steph.Palmateer@timmins.ca> wrote:

> Thank you Ryan,
>
> We have been trying to engage the property owners for months. In all honesty the time to engage would have been back in January when the first order was issued, or maybe once again in February when the second order was issued, or quite possible in March when the final order was issued. Unfortunately they waited until the week before the order expired on April 30 to try and rush in at the last minute.
>
> I would suggest that the property owner take the time between now and when a contractor is selected to demolish the building (at least a few weeks away) to take the steps necessary to comply with the orders to avoid the demolition of the building.
>
> Thank you.
>
> **Steph Palmateer, AMCT**
> Director of Community Services & City Clerk
> The Corporation of the City of Timmins
> Tel: (705) 360-2602
> Fax: (705) 360-2674
>
> ---
>
> **From:** Jacobs, Ryan <rjacobs@cassels.com>
> **Sent:** Tuesday, April 30, 2024 9:39 AM
> **To:** Steph Palmateer <Steph.Palmateer@timmins.ca>; 'David Sieradzki' <dsieradzki@ksvadvisory.com>; Ryan Molony <ryan@siddevelopments.ca>; Christian Vit <cvit@ksvadvisory.com>
> **Cc:** Marc Gelinas <mygcontracting@gmail.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; Dave Landers <Dave.Landers@timmins.ca>; zweigs@bennettjones.com; Joshua Foster <FosterJ@bennettjones.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; 'J.O. Lambert' <jolambert@grienerlambert.ca>; Julie Moisan <Julie.Moisan@timmins.ca>
> **Subject:** RE: 269 Kimberly - Update
>
>
>
> ---
>
> Ms Palmateer – You have our letter from last night (re-attached again here). It is the Applicants and Monitor's position that if the City of Timmins takes action at this time to irreversibly demolish the subject property, the City will be in violation of the Amended and Restated Initial Order. The Monitor understands that the Applicants are taking steps to remedy the City's concerns and in the circumstances we would encourage you to instead engage

with them.

The Monitor is available to assist the parties resolve this issue.

RYAN C. JACOBS
Partner
t: +1 416 860 6465
e: rjacobs@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON Canada M5H 0B4 Canada
Services provided through a professional corporation

From: Steph Palmateer <Steph.Palmateer@timmins.ca>
Sent: Tuesday, April 30, 2024 9:18 AM
To: 'David Sieradzki' <dsieradzki@ksvadvisory.com>; Ryan Molony <ryan@siddevelopments.ca>; Christian Vit <cvit@ksvadvisory.com>
Cc: Marc Gelinas <mygcontracting@gmail.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; Dave Landers <Dave.Landers@timmins.ca>; zweigs@bennettjones.com; Joshua Foster <FosterJ@bennettjones.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jacobs, Ryan <rjacobs@cassels.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; 'J.O. Lambert' <jolambert@grienerlambert.ca>; Julie Moisan <Julie.Moisan@timmins.ca>
Subject: RE: 269 Kimberly - Update

Thank you David,

I do not believe that your creditor protection allows you our your many companies to be in non-compliance with the law in my opinion. This property is in serious violation of our Property Standards by-law which is provided it's authority under the Building Code Act and continues to pose a significant Health and Safety risk to the residents of Timmins. The CCAA provides for financial protection from proceedings issued under various Acts such as: The Income Tax Act, Canada Pension Plan or the Employment Insurance Act. The CCAA does not provide for an exemption from maintaining the property in safe and habitable condition in accordance with the Building Code. The fact that you and your Directors have ignored the City's many previous requests to bring the property into compliance with the Building code and secure the property you left us with no choice but to issue the order. Now granted the City may not be able to recoup any of our costs associated with the Enforcement of the Order due to your creditor protection we still intend to enforce our rights under the Building Code Act and take all remedies necessary to ensure the safety of our residents.

Thank you.

Steph Palmateer, AMCT
Director of Community Services & City Clerk
The Corporation of the City of Timmins
Tel: (705) 360-2602
Fax: (705) 360-2674

From: David Sieradzki <dsieradzki@ksvadvisory.com>
Sent: Monday, April 29, 2024 4:40 PM
To: Ryan Molony <ryan@siddevelopments.ca>; Steph Palmateer <Steph.Palmateer@timmins.ca>; Christian Vit <cvit@ksvadvisory.com>

Cc: Marc Gelinas <mygcontracting@gmail.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; Dave Landers <Dave.Landers@timmins.ca>; zweigs@bennettjones.com; Joshua Foster <FosterJ@bennettjones.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jacobs, Ryan <rjacobs@cassels.com>; Bellissimo, Joseph <jbellissimo@cassels.com>
Subject: RE: 269 Kimberly - Update
Importance: High

Steph –

I am a representative of the Court-appointed Monitor, KSV Restructuring Inc. Our office sent you and others a letter late last week, a copy of which is attached for your reference. I have copied in legal counsel to the CCAA Debtor Companies and the Monitor. We cannot have property subject to the CCAA demolished tomorrow. Please let us know a time that is convenient for you to speak either later today or tomorrow and we will make sure the proper people are available for this call. It is very critical that no action be taken before we discuss these issues.

I look forward to your response.

Thank you,
David

From: Ryan Molony <ryan@siddevelopments.ca>
Sent: Monday, April 29, 2024 4:30 PM
To: Steph Palmateer <Steph.Palmateer@timmins.ca>; Christian Vit <cvit@ksvadvisory.com>; David Sieradzki <dsieradzki@ksvadvisory.com>
Cc: Marc Gelinas <mygcontracting@gmail.com>; Sahil Nayak <sahil@sidrenos.ca>; Sherry Laneville <Sherry.Laneville@timmins.ca>; Dave Landers <Dave.Landers@timmins.ca>
Subject: Re: 269 Kimberly - Update

Steph, thank you for the update and I do understand your viewpoint on this property. I have CC'd a 2 members of the KSV Advisory team on this email as well. KSV is a court appointed monitor to our companies through a process called CCAA. We entered CCAA to restructure our portfolio and give us the ability to renovate and stabilize all of the properties, this includes 269 Kimberly. Over the last few days we have cleaned the property, installed outdoor lighting, ensured all entrances and openings are secured, put camera and signs up to deter people from coming onto the premise, put caution tape around it, sent the order to an engineer for the purpose of them establishing what is needed from a structural perspective (they are on site tomorrow) and we are going to be ordering new windows. This is a 7 unit building that is needed in Timmins not only from a housing perspective but an affordable housing perspective. Over the weekend we had many residents thank us (albeit we know it has been a long time coming) for putting this work in and we know the city did drive by 2-3 times as well and saw that we are working towards fixing this.

Are you free tomorrow for a call to go over this in greater detail? We can have team members from KSV on this call as well and we can go over what is needed. I do understand you have just returned from vacation but this is a top priority for us and would appreciate 15 minutes of your time tomorrow.

Thanks in advance and we will chat soon.

On Mon, Apr 29, 2024 at 3:59 PM Steph Palmateer <Steph.Palmateer@timmins.ca> wrote:

> Good afternoon Ryan,
>
> Sorry my schedule is jam packed this week having just returned to work after being away. I am just between meetings and going into another one at 4:00 p.m.
>
> Unfortunately at this point it is too late to issue an extension. This property has been a problem for quite some time and the area residents are expecting the City to take action. We have provided ample notice and plenty of opportunity to appeal the decision during the process.
>
> Steph
>
> **Steph Palmateer, AMCT**
> Director of Community Services & City Clerk
> The Corporation of the City of Timmins
> Tel: (705) 360-2602
> Fax: (705) 360-2674
>
> ---
>
> **From:** Ryan Molony <ryan@siddevelopments.ca>
> **Sent:** Monday, April 29, 2024 3:04 PM
> **To:** Marc Gelinas <mygcontracting@gmail.com>; Sahil Nayak <sahil@sidrenos.ca>; Steph Palmateer <Steph.Palmateer@timmins.ca>
> **Subject:** 269 Kimberly - Update
>
> EXTERNAL E-MAIL WARNING - Avoid clicking links or opening attachments and content from external senders unless you are certain it is safe to do so. Exercise caution - If you are unsure, please contact ITD.
>
> ---
>
> Good afternoon Steph, I hope your holidays went well. My name is Ryan Molony and I am president of SID Developments, the company that manages 269 Kimberly. Marc Gelinas sent you an email on Friday and Sahil Nayak (SIDs project manager) also just tried to give you a call. Are you free to chat about 269 Kimberly? We know there is a demo order being placed on May 1st but we have begun working on this property. Our intention is to have this as our top priority, renovate the property and ensure it remains as affordable housing in Timmins.
>
> Please give me a call or an update as soon as you can so we can work together on this project. I appreciate your time and support in the matter and looking forward to hearing from you
>
> Regards,
>
> Ryan Molony
> President
> SID Developments
> PH: 905-580-1372
> Email: ryan@siddevelopment.ca
>
> ---
>
> Visit our website:
> http://www.timmins.ca/
>
> DISCLAIMER: This message may contain information that is privileged or

--

Ryan Molony
President
SID Developments
PH: 905-580-1372
Email: ryan@siddevelopment.ca

Visit our website:
http://www.timmins.ca/

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dissemination, copying, printing, or other use of, or taking of any action
in reliance upon this e-mail, is strictly prohibited. If you have received
this e-mail in error, please contact the sender and delete the original and
any copy of this e-mail, and any printout thereof, immediately. Your
cooperation is appreciated.

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http://www.timmins.ca/

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recipient of this e-mail, any use, review, retransmission, distribution,
dissemination, copying, printing, or other use of, or taking of any action
in reliance upon this e-mail, is strictly prohibited. If you have received
this e-mail in error, please contact the sender and delete the original and
any copy of this e-mail, and any printout thereof, immediately. Your
cooperation is appreciated.

--

Ryan Molony
President
SID Developments
PH: 905-580-1372
Email: ryan@siddevelopment.ca

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Ryan Molony
President
SID Developments
PH: 905-580-1372
Email: ryan@siddevelopment.ca

--
Ryan Molony
President
SID Developments
PH: 905-580-1372
Email: ryan@siddevelopment.ca

TAB S

THIS IS **EXHIBIT "S"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Cassels

June 7, 2024

Via E-Mail

jbellissimo@cassels.com
tel: +1 416 860 6572

The Corporation of the City of Timmins
220 Algonquin Blvd East
Timmins, ON P4N 1B3

Attention: Steph Palmateer, AMCT
Director of Community Services &
City Clerk

Griener Lambert Professional Corporation
Suite 302 – 60 Wilson Avenue
Timmins, ON P4N 2S7

Attention: Jean-Olivier Lambert

Dear Sirs/Mesdames:

Re: Interlude Inc – 269 Kimberly Ave, Timmins Ontario

As you know, we are counsel to KSV Restructuring Inc. in its capacity as the 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**") in their proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). We write further to our letter dated April 29, 2024 and the extensive email correspondence between our client, The Corporation of the City of Timming ("**Timmins**"), the Applicants, and counsel for each regarding Timmins' threatened demolition of 269 Kimberly Ave (the "**Property**"). Capitalized terms used but not otherwise defined herein have the meanings ascribed in our April 29 letter.

As we previously advised, it would be a violation of paragraph 16 of the Initial Order if Timmins proceeds with the demolition of the Property. We understand that Timmins has been provided a report dated May 21, 2024 by Rivard Engineering (the "**Rivard Report**") which provides, in relevant part, that there are "no imminent signs or issues that could cause the structure to collapse" and that the "structure can be repaired and restored for occupancy and is in no immediate danger of collapse". Despite this, Timmins has communicated that it intends to proceed with the demolition, has selected a demolition contractor and is currently working to coordinate a date on which the contractor will demolish the Property.

Given the findings of the Rivard Report, there is clearly no urgency to the demolition. We have been advised by the Applicants that there is no evidence that the Property is itself a source of crime, drug use, or ill repute as has been baldly asserted by Timmins, nor do the Applicants agree that local residents would support a demolition.

There is also no legal basis to carry out a demolition in violation of an Order made by the Ontario Superior Court of Justice (Commercial List). We have communicated this directly to Timmins, and we understand counsel to the Applicants has communicated this to Timmins' counsel. To date, no legal basis for the demolition has been provided.

Should Timmins proceed with the demolition, we expect that Timmins may be liable to the Applicants.

We request your immediate confirmation that Timmins will comply with this letter and the Initial Order.

Yours truly,

Cassels Brock & Blackwell LLP

Joseph J. Bellissimo
Partner

JB/am

Cassels

Via Email

April 29, 2024

jbellissimo@cassels.com
tel: +1 416 860 6572

The Corporation of the City of Timmins
220 Algonquin Blvd East
Timmins, ON P4N 1B3

Attention: Steph Palmateer, AMCT
Director of Community Services & City Clerk

and

Griener Lambert Professional Corporation
Suite 302 – 60 Wilson Avenue
Timmins, ON P4N 2S7

Attention: Jean-Olivier Lambert

Dear Sirs/Mesdames:

Re: Interlude Inc – 269 Kimberly Ave, Timmins Ontario

As you are aware, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2024 (as amended and restated from time to time, 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**") were granted protection under the Companies' Creditors Arrangement Act ("**CCAA**"). KSV Restructuring Inc. was appointed as the monitor (the "**Monitor**") of the Applicants in connection with the CCAA proceeding (the "**CCAA Proceeding**"). A copy of the Initial Order and all other orders and court material in respect of the CCAA Proceeding are available on the Monitor's website at https://www.ksvadvisory.com/experience/case/SID.

We are legal counsel for the Monitor in the CCAA Proceedings.

The Monitor has been advised that The Corporation of the City of Timmins ("**Timmins**") intends to take action tomorrow, April 30, 2024, to demolish, or cause to be demolished, Interlude Inc.'s property located at 269 Kimberly Avenue in Timmins, Ontario.

Cassels

Please be advised that the Initial Order expressly prohibits Timmins from proceeding with this demolition or any other similar action that may be taken to impact such property. Specifically, paragraph 16 of the Initial Order provides that:

> 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.

Timmins will therefore be in direct violation of an order of the Court if it proceeds with the demolition of 269 Kimberly Ave and Timmins must immediately cease and desist from taking any such action unless and until it obtains the prior written consent of the Applicants and the Monitor or leave of the Court.

We hereby request that Timmins confirm by 10:00 a.m. EST on April 30, 2024 that it will comply with this letter and the Initial Order

Yours truly,

Cassels Brock & Blackwell LLP

Joseph Bellissimo

Joseph J Bellissimo
Partner

cc. Noah Goldstein/David Sieradzki/Christian Vit, KSV Restructuring Inc.
cc. Sean Zweig/Joshua Foster, Bennett Jones LLP
cc. Ryan Jacobs/Shayne Kukulowicz, Cassels Brock & Blackwell LLP

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TAB T

THIS IS **EXHIBIT "T"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario, M5X 1A4 Canada
T: 416.863.1200
F: 416.863.1716

Alex Payne
Partner
Direct Line: 416.777.5512
e-mail: paynea@bennettjones.com

June 19, 2024

Sent Via E-Mail

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Colin Pendrith

Dear Mr. Pendrith:

Re: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BALBOA INC. et al. (Court File No.: CV-24-00713245-00CL)

As you know, we are the lawyers for Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc., and Joint Captain Real Estate Inc. (collectively, the "**Applicants**") in the above-captioned proceedings (the "**CCAA Proceedings**").

We write further to our letter dated April 15, 2024 (the "**April 15 Letter**") and in response to your letter dated June 13, 2024 (the "**June 13 Letter**"). Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the April 15 Letter.

Updates since the April 15 Letter and other responses to the requests made within the June 13 Letter are set out in Appendix "A" to this letter. The Applicants and Management reserve their rights to correct or supplement any information provided in Appendix "A" should any error or omission come to their attention.

For the avoidance of doubt, the enclosures to this letter and their respective contents are confidential and are being provided in response to the Monitor's requests made pursuant to the ARIO. Each is intended solely for the Monitor, the Monitor's counsel and each of their respective directors, officers, employees, agents and advisors acting on their behalf who have a need to know such information for the purpose of the Investigation. Nothing in this letter or its schedules should be interpreted as a waiver of solicitor-client or any other privilege.

We trust that the responses are satisfactory. Please do not hesitate to contact us should you require further clarification or information.

Yours truly,

BENNETT JONES LLP

Alex Payne

Alex Payne

cc: Sean Zweig, Joshua Foster and Thomas Gray (Bennett Jones LLP)
Ryan Jacobs, Shayne Kukulowicz and Joe Bellissimo (Cassels Brock & Blackwell LLP)
Noah Goldstein and David Sieradzki (KSV Restructuring Inc.)

APPENDIX "A"

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
75 Queenston, St. Catharines, Ontario	Happy Town Housing Inc.	The property is anticipated to be listed on MLS for $599,000 on or before April 17, 2024.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s unsecured indebtedness. Happy Town Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes. In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall anticipated by Happy Town Housing Inc. on the sale of 12 Thornton, St. Catharines, Ontario. The shortfall between the purchase price and Happy Town Housing Inc.'s indebtedness related to such property is expected to	The property is currently listed on MLS for $550,000. In the event there are any surplus proceeds after all the applicable mortgage indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s other indebtedness. Such indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs/contractor payments, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes. In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall on the sale of 12 Thornton, St. Catharines, Ontario.

[1] Schedule references in this column refer to the Schedules enclosed in the April 15 Letter.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			consist of approximately $59,000 owing to the first mortgagee, and approximately $300,000 owing to the Lion's Share Group Inc.	
43 Centre, St. Catharines, Ontario	Happy Town Housing Inc.	The property is anticipated to be listed on MLS for $750,000 on or before April 17, 2024.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s unsecured indebtedness. Happy Town Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes. In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall anticipated by Happy Town Housing Inc. on the sale of 12 Thornton, St. Catharines, Ontario. The shortfall between the purchase price and Happy Town Housing Inc.'s indebtedness related to such property is expected to	The property is currently listed on MLS for $700,000. In the event there are any surplus proceeds after all the applicable mortgage indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s other indebtedness. Such indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs/contractor payments, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes. In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall on the sale of 12 Thornton, St. Catharines, Ontario.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			consist of approximately $59,000 owing to the first mortgagee, and approximately $300,000 owing to the Lion's Share Group Inc.	
12 Thornton, St. Catharines, Ontario	Happy Town Housing Inc.	The property was listed in February 2024 by Keller Williams Signature Realty for $250,000. The property was sold to an arm's length purchaser for $205,000. The sale is scheduled to close on May 6, 2024.	The intended use of the transaction proceeds, to the extent the transaction closes, is to pay the existing secured indebtedness owed to the first mortgagee (albeit, a shortfall is currently expected) and customary closing costs. It is not anticipated that there will be any surplus proceeds arising in connection with the sale of this property. Rather, approximately $59,000 is expected to remain owing to the first mortgagee, and approximately $300,000 is expected to remain owing to the Lion's Share Group Inc.	The property was sold to an arm's length purchaser for $205,000. The sale closed on May 13, 2024. As anticipated, no surplus proceeds resulted from the sale of this property. Rather, there was a shortfall for the first mortgagee. Please see **Schedule "A"** for a copy of the trust ledger, payout statement and certain other documents in respect of the sale.
12 Inglewood Road, St. Catharines, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for $575,000.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received	The property remains listed on MLS as of the date of this letter for $550,000. The intended use of the transaction proceeds, to the extent a transaction is consummated, are as previously advised.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.	
131 Duncan Street, Welland, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for $400,000.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.	The property was sold to an arm's length purchaser for $350,000. The sale is expected to close on July 5, 2024. The intended use of the transaction proceeds, to the extent the transaction is consummated, is to pay tax arrears, utilities arrears, a construction lien, customary closing costs and the existing secured indebtedness owed to the first mortgagee. No surplus proceeds are anticipated to result from the sale, including for distribution to Upgrade Housing Inc.'s unsecured creditors. Please see **Schedule "B"** for a copy of the agreement of purchase and sale and the amendment thereto.
267 Leslie Street, Sudbury, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for $449,990.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and	The property is not currently listed on MLS and has not been sold. The property is expected to be relisted on MLS in the near-term.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.	
366 Montague Ave, Sudbury, Ontario	Upgrade Housing Inc.	The property is currently listed on MLS for $399,900.	The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing secured indebtedness owed to the first and second mortgagees and customary closing costs. In the event there are any surplus proceeds after all the applicable secured indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Upgrade Housing Inc.'s unsecured indebtedness. Upgrade Housing Inc.'s unsecured indebtedness includes, among other things, intercompany loans received from Elevation Realty Network in respect	The property was sold to an arm's length purchaser for $365,000. The sale is expected to close on July 2, 2024. The intended use of the transaction proceeds, to the extent the transaction is consummated, is to pay the existing secured indebtedness owed to the first mortgagee, tax arrears, utilities arrears, a construction lien and customary closing costs. No surplus proceeds are anticipated to result from the sale, including for distribution to Upgrade Housing Inc.'s unsecured creditors. Please see **Schedule "C"** for a copy of the agreement of purchase and sale and the amendment thereto.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			of renovation costs, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes.	
10 Iron Street, Welland, Ontario	Upgrade Housing Inc.	The property was listed in January 2024 by Keller Williams Signature Realty Brokerage for $400,000. The listing price was subsequently reduced to $375,000 on February 29, 2024. The property was sold to arm's length purchasers for $365,000. The sale closed on March 26, 2024.	Though not a contemplated sale, the transaction proceeds were utilized to (i) partially repay the blanket mortgage registered against the property (among other properties owned by Upgrade Housing Inc.), (ii) pay customary closing costs and tax and water arrears, and (iii) pay certain property tax arrears owed by Upgrade Housing Inc. in respect of 12 Inglewood Road, St. Catharines, Ontario. Please see **Schedule "B"** for a copy of the trust ledger in respect of the sale.	N/A
406 Fleet Street, Welland, Ontario	Upgrade Housing Inc.	The property was listed in December 2023 by Keller Williams Signature Realty Brokerage for $350,000. The property was sold to an arm's length purchaser for $335,000. The sale closed on January 24, 2024.	N/A	N/A
22 Freeborn Ave., Brantford, Ontario	Horses In The Back Inc.	The property was listed in June 2023 by Keller Williams Signature Realty Brokerage for $300,000. The property was sold to an arm's length purchaser for	N/A	N/A

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
		$270,000. The sale closed on June 28, 2023.		
21 Pelham Road, St. Catharines, Ontario	Horses In The Back Inc.	The property was listed in May 2023 by Keller Williams Signature Realty Brokerage for $250,000. The property was sold to an arm's length purchaser for $280,000. The sale closed on June 29, 2023.	N/A	N/A
8 Kent Street, St. Catharines, Ontario	Upgrade Housing Inc.	The property was listed in May 2023 by Keller Williams Signature Realty Brokerage for $450,000. The listing price was subsequently reduced to $400,000 on June 5, 2023. The property was sold to arm's length purchasers for $420,000. The sale closed on August 4, 2023.	N/A	N/A
118 Rykert Street, St. Catharines, Ontario	Up-Town Funk Inc.	The property was listed in July 2023 by Keller Williams Signature Realty Brokerage for $350,000. The property was sold to arm's length purchasers for $401,000. The sale closed on August 30, 2023.	N/A	N/A
293 Mountain Street, Sudbury, Ontario	Upgrade Housing Inc.	The property was listed in September 2023 by EXP	N/A	N/A

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
		Realty Brokerage for $150,000. The property was sold to arm's length purchasers for $150,000. The sale closed on September 15, 2023.		
27 Oakdale Ave., St. Catharines, Ontario	Old Thing Back Inc.	The property was listed in June 2023 by Keller Williams Signature Realty Brokerage for $425,000. The property was sold to an arm's length purchaser for $325,000. The sale closed on October 11, 2023.	N/A	N/A
9 Merigold Street, St. Catharines	Upgrade Housing Inc.	The property was listed in August 23, 2023 by Keller Williams Signature Realty Brokerage for $650,000. The property was expected to be sold to MT Deez Inc. for $650,000. Following receipt of an appraisal indicating that the value of the property was approximately $550,000, the parties agreed to decrease the purchase price to $550,000. Such decrease was not memorialized in a further amendment to the agreement of purchase and sale. The sale closed on December 18, 2023.	Please see **Schedule "B"** for a copy of the trust ledger in respect of the sale evincing the agreed upon purchase price of $550,000.	N/A

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
50 Martin Street, Thorold, Ontario	Upgrade Housing Inc.	The property was listed in August 2023 by Keller Williams Signature Realty for $700,000. The property was sold to MT Deez Inc. for $700,000. The sale closed on December 18, 2023.	N/A	N/A
59 Riverside Drive, Welland, Ontario	Horses In The Back Inc.	The property was listed in May 2023 by Keller Williams Signature Realty for $1.00. The listing price was subsequently increased to $199,999. The property was sold to an arm's length purchaser for $450,000. The sale closed on July 14, 2023.	N/A	N/A
50 Windsor Avenue, Timmins, Ontario	DSPLN Inc.	The property was listed by Royal LePage Northern Realty Leaders. The property was sold to an arm's length purchaser for $89,900. The sale closed on June 28, 2023.	N/A	N/A
308 Korah Road, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed with RE/MAX Sault Ste. Marie Realty Inc. on or about March 5, 2024, for $950,000.	The Zack Files Property (as defined below) located at 308 Korah Road, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially	The property has not been sold and is (or will soon be) no longer listed on MLS.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
			repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.	
859 Trunk Road, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed on or around March 5, 2024 by RE/MAX Sault Ste. Marie Realty Inc. for $1,300,000. Zack Files Real Estate Inc. has received a conditional agreement of purchase and sale from an arm's length purchaser, which contemplates the sale of the property for $1,000,000 and a closing date of June 28, 2024. Zack Files Real Estate Inc.'s most recent counteroffer contemplates a sale price of $1,150,000.	The Zack Files Properties located at 859 Trunk Road, Sault Ste. Marie, Ontario and 40 Hynes Street, Sault Ste. Marie, Ontario are currently anticipated to be the first of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs and (iii) complete outstanding renovations and/or work on the remaining Zack File Properties (with the exception of 40 Hynes Street, Sault Ste. Marie, Ontario) to increase the potential that each such property sells and maximize the value obtained upon sale.	The property has not been sold and is (or will soon be) no longer listed on MLS.
40 Hynes Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed on or around March 5, 2024 by RE/MAX Sault Ste. Marie Realty Inc. for $2,630,000.	The Zack Files Properties located at 859 Trunk Road, Sault Ste. Marie, Ontario and 40 Hynes Street, Sault Ste. Marie, Ontario are currently anticipated to be the first of	The property has not been sold and is (or will soon be) no longer listed on MLS.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
		Zack Files Real Estate Inc. has received a conditional agreement of purchase and sale from an arm's length purchaser, which contemplates the sale of the property for $2,000,000 and a closing date of June 28, 2024. Zack Files Real Estate Inc.'s most recent counteroffer contemplates a sale price of $2,425,000.	the Zack Files Properties to sell. Provided that proves to be correct and a transaction is consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs and (iii) complete outstanding renovations and/or work on the remaining Zack File Properties (with the exception of 859 Trunk Road, Sault Ste. Marie, Ontario) to increase the potential that each such property sells and maximize the value obtained upon sale.	
134-134A Gore Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed with RE/MAX Sault Ste. Marie Realty Inc. on or about March 5, 2024, for $1,100,000.	The Zack Files Property located at 134-134A Gore Street, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.	The property has not been sold and is (or will soon be) no longer listed on MLS.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
127-131 Bruce Street, Sault Ste. Marie, Ontario	Zack Files Real Estate Inc.	The property was listed on or around March 5, 2024 by RE/MAX Sault Ste. Marie Realty Inc. for $310,000.	The Zack Files Property located at 127-131 Bruce Street, Sault Ste. Marie, Ontario is currently anticipated to be among the last of the Zack Files Properties to sell. Provided that proves to be correct and a transaction is eventually consummated, the transaction proceeds are expected to be used to (i) partially repay the first and second blanket mortgages registered on title to the property, (ii) satisfy customary closing costs, and (iii) pay Zack Files Real Estate Inc.'s unsecured indebtedness, which is expected to consist principally of taxes arising in connection with the sale of the Zack Files Properties. In the event that proceeds remain thereafter, they are currently expected to be retained by Zack Files Properties or distributed to its sole shareholder.	The property has not been sold and is (or will soon be) no longer listed on MLS.
394 Appleby, Burlington	Paradisal Bliss Inc.	The property was listed in February 2024 by Keller Williams Co-Elevation Realty for $1,250,000. A conditional offer in the amount of $1,115,000 has been accepted from an arm's length purchaser, which contemplates a closing date of July 31, 2024.	It is intended that, if the transaction closes, substantially all of the proceeds of sale will be used to pay the existing mortgage on the property registered by Lift Capital Incorporated ("**Lift**"). Following such payment, as well as the payment of legal fees, tax arrears and interest (as applicable), it is anticipated that there will be *de minimis* surplus transaction proceeds (approximately $50,000 to $70,000). It is intended that any such proceeds will be retained by Paradisal Bliss Inc.	The property was sold to an arm's length purchaser for $1,173,600. The sale is expected to close on June 24, 2024. The intended use of the transaction proceeds, to the extent the transaction is consummated, is to pay the existing secured indebtedness owed to the first mortgagee, tax arrears, legal fees, and a realtor commission. A shortfall of approximately $8,000-$9,000 is expected to result. Please see **Schedule "D"** for a copy of the draft trust ledger, agreement of purchase and sale, and an amendment to the agreement of purchase and sale in respect of the sale.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
294 Pittsburgh, Sault Ste. Marie	Northern Caboodle Inc. (in which Ms. Butt holds an indirect 50% interest through One Happy Island Inc.)	The property was listed in February 2024 by RE/MAX Sault Ste. Marie Realty Inc. for $159,000. A conditional offer in the amount of $146,000 has been accepted from an arm's length purchaser, which contemplates a closing date of June 20, 2024.	It is intended that, if the transaction closes, substantially all of the proceeds of sale will be used to pay the existing mortgage on the property and customary closing costs. It is not anticipated that, if the transaction closes, there will be any surplus transaction proceeds after payment of such mortgage and customary closing costs.	The conditions precedent within the previous conditional offer were not satisfied. The property remains listed on MLS as of the date of this letter for $135,000. The intended use of the transaction proceeds, to the extent a transaction is consummated, are as previously advised.
223 Spruce Street,	Northern Caboodle Inc.	N/A	N/A	The property was sold to an arm's length purchaser for $215,000. The sale closed on May 6, 2024. No surplus proceeds were realized upon the sale of the property. Rather, there was a shortfall. Please see **Schedule "E"** for copies of the trust ledger, statement of adjustments and other documents in respect of the sale.
38 Duncan, Kirkland Lake, Ontario	Commercial Urkel Inc.	N/A	N/A	The property was listed on MLS on or about April 22, 2024. The property remains listed on MLS as of the date of this letter for $850,000. The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing mortgage and unsecured promissory note indebtedness as well as customary closing costs. No surplus proceeds are anticipated.
362 Donovan Street, Sudbury, Ontario	Upgrade Housing Inc.	N/A	N/A	The property was most recently listed on MLS for $374,900 on June 5, 2024. The property is currently listed on MLS for $349,900.

Property	Owner	Details of Listing as Indicated in the April 15 Letter	Intended Use of Transaction Proceeds (if applicable) Where a Sale is Contemplated as Indicated in the April 15 Letter[1]	Update (if applicable) Since the April 15 Letter
				The intended use of the transaction proceeds, to the extent a transaction is consummated, is to pay the existing mortgage indebtedness, a construction lien and customary closing costs. No surplus proceeds are anticipated to result from the sale.
34 Rykert Street, St. Catharines, Ontario	Happy Town Housing Inc.	N/A	N/A	The property was listed on MLS for $499,000, and subsequently for $525,000 on or about June 6, 2024. The property is currently listed on MLS for $475,000. In the event there are any surplus proceeds after all the applicable mortgage indebtedness and customary closing costs have been paid, such surplus funds are intended to be used to pay certain of Happy Town Housing Inc.'s other indebtedness. Such indebtedness includes, among other things, a construction lien, intercompany loans received from Elevation Realty Network in respect of renovation costs/contractor payments, insurance, and/or other expenses incurred in the ordinary course, an overdraft due to Toronto Dominion Bank, corporate income taxes and amounts owing under certain promissory notes. In addition, a portion of any surplus proceeds are expected to be utilized to address the shortfall on the sale of 12 Thornton, St. Catharines, Ontario.

TAB U

THIS IS **EXHIBIT "U"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

PROPERTY DESCRIPTION: LOT 5 PLAN 176 CAMBRIDGE; CITY OF CAMBRIDGE

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 03781-0058

PIN CREATION DATE:
2022/08/22

OWNERS' NAMES	CAPACITY	SHARE
MOOTE, MATTHEW JOHN	JTEN	
MOOTE, RANDI DAWN	JTEN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/08/22 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2003/08/18 **						
WR1440414	2022/05/31	CHARGE		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC.	SPRINGBANK INVESTMENTS INC.	
WR1446122	2022/06/22	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC.	ELEV8 PROPERTIES INC. GITTENS-O'NEILL, SUSAN	
WR1491212	2023/01/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** SPRINGBANK INVESTMENTS INC.		
REMARKS: WR1440414.						
WR1491233	2023/01/19	TRANSFER	$640,000	ELEV8 PROPERTIES INC. GITTENS-O'NEILL, SUSAN	MOOTE, MATTHEW JOHN MOOTE, RANDI DAWN	C
WR1491234	2023/01/19	CHARGE	$800,000	MOOTE, RANDI DAWN MOOTE, MATTHEW JOHN	THE TORONTO-DOMINION BANK	C

PROPERTY DESCRIPTION: PART LOT 38, GERMAN COMPANY TRACT, WATERLOO, PART 1, PLAN 58R-21195; CITY OF KITCHENER

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER, THE DATE OF REGISTRATION WITH ABSOLUTE TITLE IS AUGUST 13TH, 2021.

ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:
FEE SIMPLE LT ABSOLUTE PLUS	RE-ENTRY FROM 22461-0018	2021/08/13

OWNERS' NAMES	CAPACITY	SHARE
1000160668 ONTARIO CORP.	ROWN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2021/08/13 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
972270	1988/12/01	AGREEMENT			CITY OF KITCHENER	C
WR459096	2009/05/04	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA		C
	REMARKS: AIRPORT ZONING REGULATIONS					
	CORRECTIONS: PARTY FROM NAME:HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO DELETED ON 2022/09/10 AT 10:48 BY GRIFFIN, WANDA. PARTY FROM NAME:HER MAJESTY THE QUEEN IN RIGHT OF CANADA ADDED ON 2022/09/10 AT 10:48 BY GRIFFIN, WANDA.					
WR1290741	2020/10/19	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** MOSER, CLAUDE	ELEV8 PROPERTIES INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
WR1290742	2020/10/19	CHARGE		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC.	CANADIAN WESTERN TRUST COMPANY	
WR1290743	2020/10/19	CHARGE		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC.	CARDINAL INVESTMENTS INC.	
WR1295819	2020/11/05	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CARDINAL INVESTMENTS INC.	ALLAN, PAUL	
	REMARKS: WR1290743.					
58R21195	2021/08/13	PLAN REFERENCE				C
WR1366291	2021/08/13	APL ABSOLUTE TITLE		ELEV8 PROPERTIES INC.	ELEV8 PROPERTIES INC.	C
	REMARKS: WR1341274					
WR1385922	2021/10/26	CHARGE		*** COMPLETELY DELETED *** ELEV8 PROPERTIES INC.	MERCHANT GWF HOLDINGS LIMITED	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					ERNEWEIN, KATHLEEN LEONA REINHART, JOHN REINHART, AMANDA HESCH, KATHARINE PAULITZKI, DARLENE HESCH, LEVI HESCH, JACLYN ALICIA MERCHANT, PAUL MERCHANT, DIANNE REINHART, CURTIS	
WR1386030	2021/10/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** ALLAN, PAUL		
	REMARKS: WR1290743.					
WR1392698	2021/11/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN WESTERN TRUST COMPANY		
	REMARKS: WR1290742.					
WR1476242	2022/10/31	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MERCHANT GWF HOLDINGS LIMITED ERNEWEIN, KATHLEEN LEONA REINHART, JOHN REINHART, AMANDA HESCH, KATHARINE PAULITZKI, DARLENE HESCH, LEVI HESCH, JACLYN ALICIA MERCHANT, PAUL MERCHANT, DIANNE REINHART, CURTIS	ERNEWEIN, KATHLEEN LEONA REINHART, JOHN REINHART, AMANDA HESCH, KATHARINE PAULITZKI, DARLENE HESCH, LEVI HESCH, JACLYN ALICIA REINHART, CURTIS	
	REMARKS: WR1385922.					
WR1491230	2023/01/19	CHARGE		*** COMPLETELY DELETED *** ELEV8 PROPERTIES INC.	2302662 ONTARIO INC. STOLL, MAIK	
WR1492221	2023/01/26	CHARGE		*** COMPLETELY DELETED *** ELEV8 PROPERTIES INC.	DOYLE HOLDINGS INC. UDVARI INVESTMENTS INC. JOE WARD PROFESSIONAL CORPORATION CRAVEN, GARY PETER KRAFT, MAXINE	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WR1492279	2023/01/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** ERNEWEIN, KATHLEEN LEONA REINHART, JOHN REINHART, AMANDA HESCH, KATHARINE PAULITZKI, DARLENE HESCH, LEVI HESCH, JACLYN ALICIA REINHART, CURTIS		
	REMARKS: WR1385922.					
WR1492476	2023/01/27	POSTPONEMENT		*** COMPLETELY DELETED *** 2302662 ONTARIO INC. STOLL, MAIK	DOYLE HOLDINGS INC. UDVARI INVESTMENTS INC. JOE WARD PROFESSIONAL CORPORATION CRAVEN, GARY PETER KRAFT, MAXINE	
	REMARKS: WR1491230 TO WR1492221					
WR1545282	2023/11/15	TRANSFER	$3,300,000	ELEV8 PROPERTIES INC.	1000160668 ONTARIO CORP.	C
	REMARKS: PLANNING ACT STATEMENTS.					
WR1545283	2023/11/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** DOYLE HOLDINGS INC. UDVARI INVESTMENTS INC. JOE WARD PROFESSIONAL CORPORATION CRAVEN, GARY PETER KRAFT, MAXINE		
	REMARKS: WR1492221.					
WR1545407	2023/11/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2302662 ONTARIO INC. STOLL, MAIK		
	REMARKS: WR1491230.					

PROPERTY DESCRIPTION: FIRSTLY: PT LT 5 RANGE 1 E MT PLEASANT RD BRANTFORD; PT LT 6 RANGE 1 E MT PLEASANT RD BRANTFORD; PT LT 5-6 RANGE 2 E MT PLEASANT RD BRANTFORD AS IN A399397, A349527, A349353, A349365, A320890, A265185, A127026, A81639, A56730, A32617, TB43435 & PL952 PARTIALLY ABANDONED BY PL1185; SECONDLY: FORCED RD THROUGH LT 5-6 RANGE 1 E MT PLEASANT RD AND LT 5-6 RANGE 2 E MT PLEASANT RD & PT LT 5 RANGE 2 E MT PLEASANT RD BRANTFORD AS IN TB39040 AKA COUNTY RD 34 AND BURTCH RD; COUNTY OF BRANT

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN A320890. PLANNING ACT CONSENT AS IN A127026.

ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:
FEE SIMPLE LT CONVERSION QUALIFIED	FIRST CONVERSION FROM BOOK	2002/02/11

OWNERS' NAMES	CAPACITY	SHARE
THE CORPORATION OF THE COUNTY OF BRANT	BENO	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/02/08 ****						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
***	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
***	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
***	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
***	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
***	CONVENTION.					
***	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
DATE OF CONVERSION TO LAND TITLES: 2002/02/11 *						
TB39040	1938/06/08	TRANSFER	$1		THE CORPORATION OF THE TOWNSHIP OF BRANTFORD	C
	REMARKS: SKETCH ATTACHED.					
TB43435	1944/11/03	TRANSFER	$1		THE CORPORATION OF THE TOWNSHIP OF BRANTFORD	C
PL952	1960/07/11	PLAN MISCELLANEOUS				C
A32617	1960/11/04	TRANSFER	$1		THE CORPORATION OF THE COUNTY OF BRANT	C
A56730	1964/01/08	TRANSFER	$1		THE CORPORATION OF THE COUNTY OF BRANT	C
A81639	1966/09/15	TRANSFER	$1		THE CORPORATION OF THE COUNTY OF BRANT	C
	REMARKS: SKETCH ATTACHED.					
A127026	1971/08/06	TRANSFER	$1		CORPORATION OF THE COUNTY OF BRANT	C
	REMARKS: SKETCH ATTACHED.					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
2R1925	1982/09/09	PLAN REFERENCE				C
A265185	1982/10/29	TRANSFER	$2		THE CORPORATION OF THE COUNTY OF BRANT	C
A320890	1987/01/21	TRANSFER			THE CORPORATION OF THE COUNTY OF BRANT	C
2R2887	1988/03/08	PLAN REFERENCE				C
A349353	1988/07/27	TRANSFER	$133		THE CORPORATION OF THE COUNTY OF BRANT	C
A349365	1988/07/27	TRANSFER	$160		THE CORPORATION OF THE COUNTY OF BRANT	C
A349527	1988/07/29	TRANSFER	$201		THE CORPORATION OF THE COUNTY OF BRANT	C
2R3691	1990/09/18	PLAN REFERENCE				C
A399397	1991/04/11	TRANSFER	$1		THE CORPORATION OF THE COUNTY OF BRANT	C
A410049	1991/12/10	BYLAW				C
A473959	1996/09/17	BYLAW				C

PROPERTY DESCRIPTION: LOT 85, PLAN 41; CITY OF STRATFORD

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 53146-0030

PIN CREATION DATE:
2023/06/05

OWNERS' NAMES	CAPACITY	SHARE
DAKIN, JULIA JEAN	JTEN	
EHGOETZ, JUSTIN RICHARD	JTEN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2023/06/05 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/04/26 **						
PC213191	2023/04/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC. BILL O'NEILL REAL ESTATE INC.	THORNE, KAREN O'CONNOR, STEVE O'CONNOR, ANITA HILLER, JOEL	
PC213681	2023/05/16	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ELEV8 PROPERTIES INC. BILL O'NEILL REAL ESTATE INC.	ELEV8 PROPERTIES INC. BILL O'NEILL REAL ESTATE INC. O'NEILL, WILLIAM	
PC217424	2023/09/28	TRANSFER	$365,000	ELEV8 PROPERTIES INC. BILL O'NEILL REAL ESTATE INC. O'NEILL, WILLIAM	DAKIN, JULIA JEAN EHGOETZ, JUSTIN RICHARD	C
REMARKS: PLANNING ACT STATEMENTS.						
PC217425	2023/09/28	CHARGE	$333,013	DAKIN, JULIA JEAN EHGOETZ, JUSTIN RICHARD	THE TORONTO-DOMINION BANK	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PC217438	2023/09/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** THORNE, KAREN O'CONNOR, STEVE O'CONNOR, ANITA HILLER, JOEL		
REMARKS: PC213191.						

TAB V

THIS IS **EXHIBIT "V"** REFERRED TO IN THE AFFIDAVIT
OF ROBERT CLARK, SWORN BEFORE ME
THIS 20TH DAY OF JUNE, 2024.

Joshua Foster

JOSHUA FOSTER
A Commissioner for taking Affidavits
(or as may be)

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

ELEV8 PROPERTIES INC. as of June 19, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ELEV8 PROPERTIES INC.
Ontario Corporation Number (OCN)	2326035
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 27, 2012
Registered or Head Office Address	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	SUSAN GITTENS O'NEILL
Address for Service	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada
Resident Canadian	Yes
Date Began	April 27, 2012

Name	SEAN O'NEILL
Address for Service	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada
Resident Canadian	Yes
Date Began	May 17, 2019

Active Officer(s)

Name	SUSAN GITTENS O'NEILL
Position	President
Address for Service	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada
Date Began	April 27, 2012

Name	SEAN O'NEILL
Position	Secretary
Address for Service	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada
Date Began	May 17, 2019

Name	SEAN O'NEILL
Position	Treasurer
Address for Service	7 Grand Avenue South, 114, Cambridge, Ontario, N1S 2L3, Canada
Date Began	May 17, 2019

Corporate Name History

Name	ELEV8 PROPERTIES INC.
Effective Date	April 10, 2019
Previous Name	2326035 ONTARIO INC.
Effective Date	April 27, 2012

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: HELEN RIBEIRO	February 15, 2024
CIA - Notice of Change PAF: HELEN RIBEIRO	April 12, 2023
Annual Return - 2021 PAF: Helen RIBEIRO	October 11, 2022
CIA - Notice of Change PAF: Helen RIBEIRO	October 06, 2022
CIA - Notice of Change PAF: SARAH BETH MANILLA - OTHER	March 17, 2021
Annual Return - 2019 PAF: SUSAN GITTENS - DIRECTOR	December 20, 2020
CIA - Notice of Change PAF: SARAH BETH MANILLA - OTHER	April 23, 2020
Annual Return - 2018 PAF: SUSAN GITTENS - DIRECTOR	February 02, 2020
Annual Return - 2018 PAF: SUSAN GITTENS - DIRECTOR	October 20, 2019
Annual Return - 2017 PAF: SUSAN GITTENS - DIRECTOR	September 01, 2019
CIA - Notice of Change PAF: SARAH BETH MANILLA - OTHER	June 18, 2019
CIA - Notice of Change PAF: SARAH BETH MANILLA - OTHER	May 17, 2019
BCA - Articles of Amendment	April 10, 2019

Annual Return - 2016 PAF: SUSAN GITTENS - DIRECTOR	July 30, 2017
Annual Return - 2015 PAF: SUSAN GITTENS - DIRECTOR	March 28, 2017
CIA - Notice of Change PAF: SUSAN GITTENS - DIRECTOR	August 04, 2016
CIA - Notice of Change PAF: SUSAN GITTENS - DIRECTOR	August 25, 2015
Annual Return - 2014 PAF: SUSAN GITTENS - DIRECTOR	May 02, 2015
Annual Return - 2013 PAF: SUSAN GITTENS - DIRECTOR	April 05, 2014
Annual Return - 2012 PAF: SUSAN GITTENS - DIRECTOR	January 22, 2014
BCA - Articles of Amendment	May 02, 2012
BCA - Articles of Incorporation	April 27, 2012

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

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 ROBERT CLARK
(Sworn June 20, 2024)

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

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
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**")

STAY EXTENSION ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, extending the stay period, and granting certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Clark sworn June 20, 2024 and the Exhibits thereto (the "**Clark Affidavit**"), the Fourth Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated June 11, 2024, the Fifth Report of the Monitor dated June 17, 2024 (the "**Fifth Report**"), the Affidavit of Sofia Pino sworn June 14, 2024 and the Exhibits thereto, the Affidavit of Andrew Adams sworn June 14, 2024 and the Exhibits thereto, the Affidavit of Paule Searle sworn June 14, 2024 and the Exhibits thereto, and such other materials that were filed, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Secured Lender Representative Counsel, the Unsecured Lender Representative Counsel, counsel to the Lion's Share Receiver, 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 Joshua Foster, 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 otherwise defined herein shall have the meanings ascribed to them in the Clark Affidavit or the Second Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated March 28, 2024, as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including July 8, 2024.

THE SISP

4. **THIS COURT ORDERS** that the date by which the Monitor shall be required to serve and file any motion for advice and directions pursuant to section 21 of the Sale and Investment Solicitation Process approved pursuant to the SISP Approval Order of the Honourable Justice Cavanagh dated April 12, 2024 be and is hereby extended to July 31, 2024.

5. **THIS COURT ORDERS** that Confidential Appendix "1" to the Fifth Report is hereby sealed and shall not form part of the Court record, subject to further order of this Court.

GENERAL

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

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other foreign jurisdiction, 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.

8. **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.

Justice Osborne

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

STAY EXTENSION ORDER

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MOTION RECORD
(Returnable June 24, 2024)

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