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February 28, 2025

To: Mortgagees

Re: Secondary Credit Bid Process for Mortgagees 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”)

On February 27, 2025, the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued an order which, among other things, approved a process for first and second mortgagees to submit credit bids for the Applicants’ remaining properties (the “Secondary Credit Bid Process”). The Secondary Credit Bid Process was detailed in the Monitor’s Eleventh Report to Court dated February 20, 2025 (the 11th Report”), a copy of which is available on the Monitor’s case website (<https://www.ksvadvisory.com/experience/case/SID>).

Please be advised that the form of Agreement of Purchase and Sale (“APS”) for first mortgagees to submit credit bids under the Secondary Credit Bid Process is available on the Monitor’s case website at the following [link](#). Please note the following:

- The deadline to submit an APS is **5:00 pm EST on March 14, 2025**.
- The cash consideration payable by first mortgagees on closing of each property is set out in Appendix “A” to this notice (the “DIP Allocation”). As explained in the 11th Report, the DIP Allocation schedule includes a column reflecting an additional 25% of the DIP Allocation that is to be held by the Monitor in escrow, pending further order of the Court or agreement among the relevant parties.
- The APS must be submitted by email to balboa@ksvadvisory.com accompanied by a non-refundable deposit of \$10,000 (the “First Mortgagee Deposit”).
- The First Mortgagee Deposit must be sent by wire transfer to the Monitor’s trust account. The wire details to use for the transfer of the First Mortgagee Deposit are attached in Appendix “B” to this notice.
- The APS is not subject to negotiation. There are various blanks in the APS that a bidder must fill in. The Monitor suggests that you work with a lawyer to fill out and submit the APS.

A slightly different form of APS for second mortgagees is also available on the Monitor’s case website at the following [link](#). On properties with second mortgages where a first mortgagee submits a credit bid by March 14, 2025 at 5:00 pm EST, the Monitor will notify the second mortgagees of such credit bid. The second mortgagees will then have a deadline of **5:00 pm EST on March 21, 2025** to submit a credit bid for that property. Second mortgagees should note the following:

- The cash consideration payable by second mortgagees on closing of each property is as follows:
 - the DIP Allocation amount set out in Appendix “A” to this notice. As explained in the 11th Report, the DIP Allocation schedule includes a column reflecting an additional 25% of the DIP Allocation that is to be held by the Monitor in escrow, pending further order of the Court or agreement among the relevant parties.
 - all amounts owing under the first mortgage on the property, regardless of the amount of the first mortgagee’s credit bid, including all principal, interest, fees and costs claimed by the first mortgagee.
- The APS must be submitted by email to balboa@ksvadvisory.com accompanied by a non-refundable deposit of \$10,000, plus an additional amount equal to 10% of the applicable first mortgage debt on the property (the “Second Mortgage Deposit”).
- The Second Mortgage Deposit must be sent by wire transfer to the Monitor’s trust account. The wire details to use for the transfer of the Second Mortgage Deposit are attached in Appendix “B” to this notice.
- The APS is not subject to negotiation. There are various blanks in the APS that a bidder must fill in. The Monitor suggests that you work with a lawyer to fill out and submit the APS.

The Monitor’s objective is to seek Court approval of the credit bids submitted under the Secondary Credit Bid Process in April 2025 and close those transactions as soon as possible thereafter.

Please note that this will be the final opportunity for mortgagees to submit credit bids in respect of the Applicants’ properties. On February 27, 2025, the Court also approved a process for the Monitor to publicly list for sale any properties that are not acquired by mortgagees under credit bids. The Monitor will be taking steps to list and sell those properties once the Secondary Credit Bid Process has concluded in mid to late-March, 2025.

Yours truly,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.

**IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
BALBOA INC., DSPLN INC., HAPPY GILMORE INC., INTERLUDE INC., MULTIVILLE INC., THE PINK
FLAMINGO INC., HOMETOWN HOUSING INC., THE MULLIGAN INC., HORSES IN THE BACK INC.,
NEAT NESTS INC. AND JOINT CAPTAIN REAL ESTATE INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

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

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

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

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

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

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

Note 3 Certain credit bidders will be notified that their property is an "Equity Property". Please be advised that this schedule does not include any Equity Amounts payable on closing. Mortgagees of any select Equity Properties will be contacted by the Monitor on or around March 3, 2025. Mortgagees should also be advised that any property specific costs incurred between February 28, 2025 and closing may be added to the cash payable on closing.

Appendix “B”

Official Account Confirmation Letter

Date: **07FEB2024**

To: _____

The following information is given in good faith based on information the Bank of Montreal (the "Bank" or "BMO") believes to be true. You agree to treat this information as private and confidential and agree to comply with all statutory requirements respecting the obtaining of such information. Neither the Bank nor the writer shall be or become liable or responsible in any manner for or by reason of giving the information.

Bank Account Confirmation

▶ Legal Entity Name KSV RESTRUCTURING INC MONITOR OF BALBOA INC ET AL			
▶ Company Address 220 BAY ST SUITE 1300			
▶ City TORONTO	▶ Province ON	▶ Postal Code M5J 2W4	▶ Country Canada
▶ Bank Bank of Montreal			
▶ Bank Address 100 KING ST W			
▶ City TORONTO	▶ Province ON	▶ Postal Code M5X 1A3	▶ Country Canada
▶ Institution Code 001	▶ Bank Transit 00022	▶ Bank Account 1544031	

Please select what products are required for this validation letter.

EFT Wires (CAD, USD, Foreign exchange) CAD US Foreign Exchange

EFT Payment Instructions

▶ Legal Entity Name KSV RESTRUCTURING INC MONITOR OF BALBOA INC ET AL			
▶ Bank Bank of Montreal			
▶ Institution Code 001	▶ Bank Transit 00022	▶ Bank Account 1544031	▶ Currency BMO CAD

Note: For any software being used for EFT transactions that require a 4-digit institution number, please add a leading zero to the existing institution number of 001 (i.e.: 0001).



Wire Payment Routing Instructions

Canadian Dollar payments (Domestic or International)

Important note: Your Wire Payments Account Identifier held at Bank of Montreal consists of 11-digits, combining the four (4) digits Branch Transit Number and seven (7) digits Account Number. This numbering convention is internal to Bank of Montreal's client accounts for wire payment services, and should be formatted without spaces, dashes, slashes and any special characters such as #, %, and etc.

It is important that the 11-digit Account Number ID be quoted on all inbound wire payments in the Beneficiary field; otherwise you may experience delays in the receipt of the wire payment proceeds.

Receiving Bank	Beneficiary Bank (field 57)		Beneficiary (field 59)	
Bank of Montreal Head Office, Montreal	Bank of Montreal		▶ Client's CAD Dollar Account Number* 00021544031	
SWIFT BIC code: BOFMCAM2	▶ Bank Address 100 KING ST W	▶ Bank City TORONTO	▶ Client's Full Name KSV RESTRUCTURING	▶ Country Canada
	▶ Bank Province ONTARIO	▶ Bank Postal Code M5X1A3	▶ Client's Address 220 BAY ST SUITE 1300	▶ Client's City TORONTO
▶ Canadian Routing Code (CC) CC0001			▶ Province ON	▶ Postal Code M5J 2W4

CC code can be found at the Payments Canada site. Example for BMO: CC0001XXXXX (Inst id 4+ followed by 5 digit transit no spaces)

Choose stamp:

BMO FINANCIAL GROUP
Treasury & Payment Solutions
First Canadian Place
100 King Street West
22nd Floor
Toronto, Ontario M5X 1A1

As this is extremely sensitive information, we trust that you will keep this strictly confidential and for business purposes only. If you require anything further, please do not hesitate to contact us.

Thank you,

LValencia

LYNNETTE VALENCIA

BMO Treasury and Payments Solutions

