ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: **CV-24-00725570-00CL** **DATE: FEBRUARY 4, 2026**

NO. ON LIST: 4

TITLE OF PROCEEDING: **MELVYN EISEN, TRUSTEE v. WOODINGTON ESTATES INC.; GOLDY METALS HOLDINGS INC.; SILVIO CONSTRUCTION CO. LTD.; TURF CARE PRODUCTS CANADA LIMITED; 1000736785 ONTARIO LIMITED**

BEFORE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

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For Defendant, Respondent, Responding Party:

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ENDORSEMENT

Overview

[1] This was a motion by AGI (in this endorsement I will use this and other terms as defined in the parties' materials), in its capacity as Receiver of all of the assets, undertakings and property of Woodington Estates, and its capacity as the Court-appointed Sales Officer, without security, of all of the assets, undertakings and properties of Woodington Management and 785.

[2] Today, in particular, in the time available, I heard the Receiver's motion seeking approval of the Transaction contemplated in the Sale Agreement (dated January 14, 2026), between AGI, in its dual capacity as Receiver and Sales Officer, as Vendor and the Purchaser (Purposeful Group Ltd.), and authorization for the Vendor to complete the Transaction, which would result in vesting in the Purchaser the Debtors' right, title and interest in and to the Purchased Assets, including the Real Property, free and clear of any claims and encumbrances other than the Permitted Encumbrances.

[3] There is other related relief the Receiver seeks, but it was agreed that given the limited time available today, that related relief would be addressed, as applicable, in a further hearing in the near term, depending on the outcome of today's motion.

Relevant Background

[4] I granted an order in this matter on December 2, 2024, appointing AGI as Receiver over Woodington Estates including the Real Property.

[5] Subsequently, on July 15, 2025, I granted an order appointing AGI as Sales Officer for the sale of all the assets, undertakings and properties of Woodington Estates (at times referred to as WEI), Woodington Management (at times referred to as WMI) and 785, and approving the Sales Process.

[6] Woodington Estates is the registered and beneficial owner of the Real Property. There is a thirty-six hole golf course on the Real Property, including an approximately 32,000 square foot clubhouse facility and supporting infrastructure known as the "Woodington Lake Golf Club".

[7] The Golf Club was owned and operated by Woodington Management from January 2019 until early December 2023, at which time the operations were transferred to 785.

[8] Joseph (Joe) Chetti was the sole director of Woodington Estates, and its sole owner. In September of 2025, Mr. Joe Chetti suddenly passed away.

[9] During the months leading up to and since his passing, other members of Mr. Joe Chetti's family, including his spouse Frances Chetti, and his son John Chetti, have managed the operations and affairs of the Golf Club, and since July of 2025, have done so under the oversight of the Sales Officer.

[10] The secured creditors and potential priority claimants of Woodington Estates include:

(a) Eisen: which has the first-ranking Eisen Mortgage in the principal amount of $11.5 million secured against the Real Property and the Eisen GSA granted by Woodington Management, (which debt, I was advised today, with no payments since January of 2024, stands at about $14.3 million);

(b) Goldy: which holds the second-ranking Goldy Mortgage in the principal amount of $5.5 million secured against, among other items, the Real Property and a general security agreement over all contracts, fixtures and leasehold improvements located at or upon, or relating to, the Real Property, (which debt, I was advised today, with no payments since some time in 2023, stands at about $8 million);

(c) Eisen: which holds a third-ranking charge/mortgage in favour of Eisen and Windsor II Limited Partnership in the principal amount of $5.0 million;

(d) The Town (New Tecumseh), in respect of unpaid property taxes on the Real Property, in the approximate amount, as of October 31, 2025, of $269,000; and,

(e) Sylvio Construction Co. Ltd., in respect of a construction lien in the amount of approximately $1.5 million, registered on title to the Real Property.

[11] As against Woodington Management and 785, the following creditors have registered security interests:

(a) Care Lending Group Inc. o/a Turf Care Financial, in respect of the Equipment Leases;

(b) Rock Garden Development Corporation, in respect of alleged advances made to Woodington Management and 785 in the amount of $500,000 to fund operational expenses of the Golf Club since 2019; and,

(c) Eisen: in respect of the Eisen GSA.

The Sale Process

[12] As detailed to some extent in the following discussion, a consideration of the Sale Process, which attracts extensive criticism from John Chetti and from Frances Chetti and 785, is critical to the determination of this motion.

[13] As noted, that Sale Process was authorized in my July 15, 2025 Sale Process Order, which confirmed the appointment of AGI as Sales Officer (in addition to its pre-existing role as Receiver).

[14] The Sale Process was developed through discussions and negotiations among the Debtors and their legal counsel, the Receiver and its legal counsel, and counsel to Eisen and Goldy. These parties reached a mutual agreement on the structure and key terms of the Sale Process as reflected in the Sale Process ultimately approved in my July 15, 2025 Sale Process Order.

[15] As an initial step within the Sale Process, the Sales Officer solicited proposals from four realtors to act as the listing agent in the Sale Process. These candidates all had considerable experience in the listing and sale of golf courses, land and/or commercial properties in the Greater Toronto Area and Southern Ontario Market.

[16] The Sales Officer ultimately selected Lennard Commercial Realty, Brokerage, to act as the realtor in these proceedings, and entered into a listing agreement on August 8, 2025, pursuant to which the Real Property was listed on August 15, 2025.

[17] As discussed in detail in the Second Report, during the Sale Process, the Broker circulated multiple marketing email blasts promoting the opportunity to more than 1600 potential interested parties (identified

in the Broker's internal database). In addition, the Receiver/Sales Officer published an advertisement in Insolvency Insider that ran for five weeks.

[18] This marketing effort relative to the Debtors' property took place over a 55-day period, extended to October 9, 2025 – the Extended Bid Deadline – at the request of counsel to Woodington Estates and 785.

[19] Interested parties were obliged to sign an NDA to gain access to the EDR maintained by the Broker under the supervision of the Receiver/Sales Officer containing confidential information about the Debtors, the Woodington Estates Assets, and the Business Assets, including corporate, financial, and other relevant documents, as well as the Sale Process procedures.

[20] In the result, a total of 78 parties executed NDAs and were provided access to the EDR. Throughout the Sale Process, the Receiver/Sales Officer and the Broker facilitated due diligence for prospective bidders, as required, with the assistance of the Debtors' controller and other employees of the Golf Club. Nine prospective bidders attended site tours.

[21] Eight parties submitted offers by the Extended Bid Deadline.

[22] I pause here to note that, subject to the discussion which follows below about specific allegations made by Mr. John Chetti and to a lesser extent by Ms. Frances Chetti and 785, it is evident that the Sale Process was robust and productive. Seventy-eight parties signing NDAs, nine parties touring the site, and eight initial offers bespeaks a thoroughgoing and successful sale effort.

The Highest Value Bids

[23] Upon review of these offers, and following discussions between and among the Receiver/Sales Officer, its counsel, and the Broker, and in consultation with counsel to Eisen and Goldy, it was determined that the Receiver/Sales Officer, in coordination with the Broker, would reject all but the three highest-value offers – the Subject Offers – and engage with the parties (and/or their professional representatives) that submitted the Subject Offers.

[24] Somewhat later, beyond the Extended Bid Deadline, the Sales Officer also received a bid from Leadout, a party that the Receiver/Sales Officer understood to be working with Mr. John Chetti (who, in his individual capacity, had provided one of the Subject Offers).

[25] Those Subject Offers included the Insufficient-Deposit Offer, which, despite being one of the three highest offers received, was not compliant with the Bid Requirements, as the deposit delivered with the offer represented only 5% of the overall consideration offered, rather than the minimum required deposit of at least 10%.

[26] The bidder submitting the Insufficient-Deposit Offer, notwithstanding a series of communications, did not provide the balance of the deposit required or increase its offer, and in the result the Insufficient-Deposit Offer was rejected as of October 21, 2025.

[27] The Initial Chetti Offer contained the highest proposed purchase price among all offers submitted as of the Extended Bid Deadline. I note here that the full array of offers and certain other documents including the Sale Agreement (with the Purchaser) was sent to me directly on an unredacted basis coupled with a request for the Sealing Order, premised on the notion that only the court should see the details of all offers to enable it to understand the competing bid dynamics and that this commercially sensitive information

should otherwise be protected from the public domain pending the closing of a sale transaction or further order of the court. While this wish to protect sensitive information is appropriate, and while as set out below I am granting the Sealing Order, it is nonetheless the case that, owing to the respective roles of parties at various points in the process, and perhaps for other reasons, most or all of the key players and parties before me know the details of most or all of the various competing bids. In that regard, various parties referred specifically to the Initial Chetti Offer as containing the highest dollar amount, which is accurate.

[28] However, it is also the case, and not contested, that the Initial Chetti Offer was not accompanied by a deposit, and contemplated (without providing) a deposit equal to less than 2% of the purchase price, to be funded not by the would-be purchaser, but from 785's cash on hand.

[29] Following, and despite, discussions between Mr. John Chetti (and his agent) and the Receiver/Sales Officer, and several extensions of the bid deadline, the Receiver/Sales Officer never received a deposit in connection with the Initial Chetti Offer.

[30] Instead, at a point in time after the Extended Bid Deadline, Mr. John Chettti's agent sent an email to the Receiver/Sales Officer advising that a bid and further formal offer would follow. On October 29, 2025, twenty days after the Extended Bid Deadline, Leadout sent an email to the Receiver/Sales Officer attaching the signed Leadout Offer (with which Mr. John Chetti was now involved).

[31] The Leadout Offer included a lower purchase price that the Initial Chetti Offer and, contrary to requirements set for bids in the Sale Process, provided for a 45-day conditional period to allow for Leadout to perform due diligence before financing could be confirmed. The Leadout Offer was accompanied by a deposit in keeping with the amount specified under the Sale Process.

[32] In response to the submission of the Leadout Offer, the Receiver/Sales Officer engaged, together with counsel and advisors, in a series of communications with Mr. John Chetti and representatives of Leadout, with a view to clarifying material terms of the Leadout Offer including the intended source of funds, addressing issues and conditions, and determining whether or not the Leadout Offer could be revised to result in a commercially acceptable transaction in compliance with the Sale Process.

Allegations of "Collusion and Favouritism"

[33] During the course of those discussions, and in this motion before me, Mr. John Chetti alleged improprieties in the conduct of the Sale Process, asserting, as the Receiver/Sales Officer puts it, "collusion and favouritism" and "threatening litigation and public dissemination of those allegations unless unspecified demands were met within a compressed timeframe."

[34] On November 14, 2025 Mr. John Chetti advised that he wished to withdraw from the process and sought the return of the deposit submitted with the Leadout Offer. On November 18, 2025, Leadout advised that, to the contrary, the Leadout Offer had not been withdrawn.

[35] On December 3, 2025, the Receiver/Sales Officer advised Leadout that the Leadout Offer was not compliant with the Sale Process in that, among other concerns, the Leadout Offer contained a due diligence period, was not accompanied by a proposed allocation of the purchase price, and did not furnish sufficient evidence of available funding to close the proposed transaction, all of which had been the subject of discussions and requests. Accordingly, in the absence of required revisions, the Leadout Offer was rejected and Leadout's deposit was returned.

[36] On January 14, 2026, Mr. John Chetti submitted a further offer – the Late Chetti Offer.

[37] The Late Chetti Offer contemplated an increased purchase price as compared to the Leadout Offer, but was delivered well after the Final Bid Deadline and after negotiations in respect of the Final Purchaser Offer had been concluded. Again, the Late Chetti Offer did not include a deposit. In that the Late Chetti Offer was not only well after the Final Bid Deadline, but did not comply with the Sale Process, it was rejected.

[38] Prior to the Extended Bid Deadline, the Purchaser submitted its offer. That offer was extensively negotiated between the Purchaser and the Receiver/Sales Officer, and resulted in more favourable terms and an increased purchase price in the Final Purchaser Offer.

[39] The Final Purchaser Offer was also materially compliant with the Sale Process.

Receiver/Sales Officer's Acceptance and Recommendation of Final Purchase Offer

[40] In the circumstances the Receiver/Sales Officer considered the Subject Offer, as revised to become the Final Purchaser Offer, to be the superior bid in the Sale Process, and the Final Purchaser Offer was accepted on January 14, 2026.

[41] Before me in this motion, the Receiver/Sales Officer was recommending that I grant the AVO in respect of the Final Purchase Offer, supported by the two senior-most creditors (Eisen and Goldy).

[42] The Receiver/Sales Officer notes that the Purchase Price is comprised of the aggregate of the value of assumed liabilities and certain cash consideration, that the Purchaser paid a (compliant) cash deposit, which remains in the Receiver's trust account, that the Purchased Assets include substantially all the assets, property and rights of the Debtors (excluding the Excluded Assets), that the Sale Agreement provides for a purchase price allocation as between the Woodington Estates Asset and the Business Assets (the distribution of which, as discussed below, remains subject to further order of this court), and provides for a closing date on the earlier of 30 days following the date of the AVO or such date as may be agreed between the Vendor and Purchaser, but in no event later than the Outside Date (of March 13, 2026).

[43] Without betraying confidentiality, I specifically note and confirm that the Final Purchaser Offer contains the most attractive combination of attributes, by reference to all relevant parameters, among all of the bids received.

[44] I find that the Sale Agreement should be approved and the Receiver/Sales Officer is authorized to close the Transaction and that, as noted above, the Confidential Appendices should be sealed pending the closing of the Transaction or further order of this court.

Final Purchaser Offer Meets Soundair Factors

[45] In that regard, I specifically find that the Final Purchaser Offer and the Transaction comply with the factors set out in *Royal Bank v. Soundair Corp.*

[46] That is, I find that:

(a) The receiver made an appropriate effort to obtain the best price and has not acted improvidently. In this regard I note the robust Sale Process described above, and the multiplicity of offers received in

the result. Mr. John Chetti and in particular 785 refer to a potential offer (from another party, not involved in the Sale Process before me and predating that process) discussed by a potential purchaser in 2024, said to be in a higher amount than the Final Purchaser Offer and establishing "expectations" for a higher purchase price than that contemplated in the Transaction. However, there was no such bid before me, and I cannot determine the current market on the basis of a previous discussion, the precise details of which are not before me, particularly in the face of a robust process generating multiple bids, which are before me;

(b) I reject Mr. John Chetti's assertions – to some extent echoed by Ms. Frances Chetti and 785 – about the alleged improprieties within the Sale Process. These allegations are unpersuasive for a number of reasons, including:

i. Mr. John Chetti alleges that the Receiver/Sales Officer advised him, in connection with the Initial Chetti Offer, that Mr. John Chetti should submit an offer with a lower purchase price, sufficient merely to address certain existing claims against the Debtors. Frankly, and despite the effort of 785's counsel to make sense of the purported position of the Sales Officer by attributing it to a concern about Mr. John Chetti's wherewithal to come up with the money necessary to fund the Initial Chetti Offer, the purported "advice" makes no sense to me. I do not accept that the Receiver/Sales Officer, a seasoned officer of the court, would recommend a course of action – here, lowering the value of an offer – which would yield an inferior result for stakeholders. While the Initial Chetti Offer was problematic in other ways, and in my view was not in a state that could in any event be recommended by the Receiver/Sales Officer for acceptance, I do not accept Mr. John Chetti's allegation about the alleged advice to lower the price given by the Receiver/Sales Officer;

ii. I also reject Mr. John Chetti's allegations that the process, and the Receiver/Sales Officer's conduct and recommendations, were tilted in a fashion that was beholden to Goldy (or Goldy's principal Kenneth Gold) and/or influenced by the need for whatever bid was accepted to pay out Goldy as the fulcrum creditor. While I accept that the Receiver/Sales Officer sought to obtain offers to maximize the value for all stakeholders, including Goldy, I find no evidence to support Mr. John Chetti's unsubstantiated claim that the Receiver/Sales Officer was being manipulated and directed by Mr. Gold rather than acting to promote and achieve the best result for all stakeholders. Again, noting the experience of this Receiver/Sales Officer as an officer of the court, and noting the robust and extensive Sale Process undertaken here, Mr. John Chetti's assertions, unsupported by any independent evidence, ring hollow and unconvincing;

iii. Among the other shortcomings of Mr. John Chetti's arguments on this topic, I note that many of these allegations arose only after Mr. John Chetti submitted a non-compliant bid, and that, despite several opportunities to re-submit, Mr. John Chetti never submitted a compliant bid. His bids in each case contained financing conditions subject to due diligence (oddly, given Mr. John Chetti's position as an insider in the business with first-hand knowledge of its inner workings);

iv. The Receiver/Sales Officer's concerns about Mr. John Chetti's financial wherewithal and ability to consummate a transaction appear justified. In the Receiver/Sales Officer's second report, the Receiver/Sales Officer confirms that Mr. John Chetti is himself insolvent, having filed a proposal under Part III, Division I of the BIA in 2021, which proposal went into default

in 2023 and remains in default (a fact which was never disclosed by Mr. John Chetti to the Receiver/Sales Officer);

(c) The Sale Process Order was granted on consent. The order, and the conduct of the Receiver/Sales Officer thereunder, balanced the interests of the secured creditors, was extended several times on the request of bidders to ensure sufficient time for the parties to undertake due diligence and to submit their best bids (without due diligence conditions);

(d) Before marketing the property, the Receiver/Sales Officer sought proposals from four brokers. As noted above, once it was selected and appointed, the Broker undertook a strategy to canvass the market widely;

(e) I find no unfairness in the Sale Process. The 10% deposit requirement was reasonable, and is typical for receivership sales involving real property. The Receiver/Sales Officer's willingness to engage with potential purchasers in respect of non-compliant bids in an attempt to obtain compliant bids, and its negotiations with bidders to ensure a given bidder's highest and best offer, were again reasonable and appropriate in the circumstances;

(f) I find that, following the multiple rounds of bids, the Final Purchaser Offer was the only compliant bid at a price consistent with the market value of the Purchased Assets (as supported by the Appraisal submitted directly to me on an unredacted basis). Not only was it not inappropriate or improvident for the Receiver/Sales Officer to accept and recommend this offer, it would have been inappropriate for it not to do so.

[47] For all of these reasons, I conclude that the Transaction represents a reasonable and fair result, one that is not improvident, one which balances and maximizes the interests of stakeholders, and one which is the product of a robust and thorough process.

Submissions of Ms. Chetti and 785

[48] I should address certain submissions made on behalf of Ms. Frances Chetti and 785. While these submissions go in large part to the issues related to certain funds (in the approximate amount of $234.000) in the possession of the Receiver/Sales Officer, and to the allocation of proceeds, on which the parties have agreed on an approach as set out below, the submissions also relate to the conduct of the Receiver/Sales Officer and so I have considered them in that context as well.

[49] In short, Ms. Chetti and 785 emphasize that 785 is not subject to the Receivership Order, that it requires funds to operate its business, in particular in the near-term ramp-up to the golf season, and that the Receiver/Sales Officer has inappropriately and inexplicably appropriated the $234,000 that is badly needed by 785 in that context. Ms. Chetti and 785 note and emphasize that cash in the 785 business is not an asset being conveyed to the purchaser and is specifically listed as an Excluded Asset in Schedule B to the APS.

[50] Ms. Chetti and 785 also echo to some extent the concerns expressed by Ms. Chetti's son Mr. John Chetti regarding the role of Goldy (discussed and rejected above).

[51] In respect of these submissions, I note with concern certain observations set out in some detail in the Receiver/Sales Officer's Second Report, attesting that, as a result of the Sales Officer having implemented a monitoring protocol for the receipts and disbursements of Woodington Management and 785, the Sales

Officer "identified a pattern of withdrawals, cash handling practices, and collections of accounts receivable that were not supported by documentation or demonstrably connected to the ordinary course of the Golf Club business…" and also "identified significant tax compliance deficiencies".

[52] Further details of these concerns are spelled out in the Second Report, but for current purposes, and subject to further adjudication as required, I maintain certain reservations about Ms. Chetti and 785's submissions complaining about the conduct of the Receiver/Sales Officer, and those submissions do not impact my assessment and conclusions as set out above.

AVO Granted

[53] Accordingly, as noted, I am granting the AVO sought.

Next Steps and Agreed Language re Allocation of Proceeds

[54] As noted above, beyond hearing fulsome submissions on that topic, the available time did not allow for more than cursory submissions on the question of allocation of the proceeds of sale.

[55] In the circumstances, counsel for the Receiver/Sales Officer, for Ms. Chetti and 785, and for other interested parties agreed on language proposed to be included in this endorsement in the event that I would approve the Transaction (which has proven to be the case).

[56] That language, which I accept and endorse, is as follows:

> "The Purchaser's allocation in section 3.2 of the Sale Agreement and the approval of the Transaction set out in paragraph 3 of the Order made this day is without prejudice to the question of how the proceeds of sale from the Transaction and the costs of the Receiver/Sales Officer in these proceedings are to be allocated between each of 785, WEI and WMI and their creditors. That allocation question will be determined at a further motion before this court or upon the written agreement of each of 785, Goldy Metals, Windsor Capital, WMI and the Sales Officer and Receiver on behalf of WEI."

[57] Subject to that allocation determination I have signed and attach the AVO proposed by the Receiver/Sales Officer.

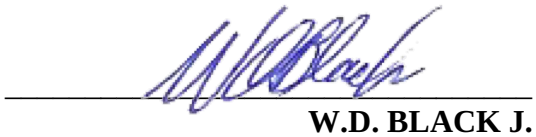
[58] In terms of the further motion contemplated in the agreed language recited above, I advised the parties that I am normally prepared to conduct hearings that need to be accommodated on short notice at 8:30 in the morning, and that if the parties agree on a mutually convenient date, and assuming such a hearing can be made to fit with other pre-existing matters booked before me, I would be prepared to convene a hearing for up to 90 minutes at 8:30 some morning during the week of February 16 (noting that February 16 itself is a holiday). I have not yet heard from the parties in that regard, but remain prepared to proceed on that basis.

[59] Finally (for now) I should confirm that in proceeding to hear the motion on February 4, 2026, I refused a request for an adjournment made by Ms. Chetti (in the interest of 785). I was not prepared to grant that adjournment request because:

(a) As set out above, there are some pressing deadlines, including with respect to a potential appeal period, compelling a need for expedition here; and

(b) In addition to providing the agreed language concerning deferring the allocation issue set out above, the parties advised, at the time of the hearing, about a willingness and ability to defer those matters briefly (if time did not permit them being addressed on February 4, 2026), such that I was satisfied that proceeding to hear the submissions about the proposed sale would not in any event preclude a proper hearing about ancillary matters, including Ms. Chetti's submission on the allocation issues and her concerns regarding the $234,000.

[60] I will wait to hear from the parties concerning the proposed further hearing.



W.D. BLACK J.

RELEASE DATE: FEBRUARY 10, 2026