ALBERT GELMAN

# FOURTH REPORT OF
# ALBERT GELMAN INC.
# AS RECEIVER OF WOODINGTON ESTATES INC. AND
# SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND
# 1000736785 ONTARIO LIMITED

**MARCH 13, 2026**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

**Respondents**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# FOURTH REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER AND SALES OFFICER

**MARCH 13, 2026**

## I. INTRODUCTION

1. This report (the "**Fourth Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its Court-appointed capacities as: (i) receiver (in such capacity, the "**Receiver**") without security, of the assets, undertakings and properties of Woodington Estates Inc. ("**Woodington Estates**") and (ii) sales officer (in such capacity, the "**Sales Officer**"), without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**", and collectively with Woodington Estates and Woodington Management, the "**Debtors**").

2. On the application of Melvyn Eisen, as trustee ("**Eisen**"), and pursuant to an Order (the "**Receiver Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 2, 2024 (the "**Appointment Date**"), AGI was appointed as Receiver of the property, assets and undertakings of Woodington Estates (the "**Woodington Estates Assets**"), which includes the real property known municipally as 7110 4th Line, Tottenham, Ontario (the "**Real Property**"), under section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 101 of the *Courts of Justice Act* (Ontario) (the "**CJA**"). A copy of the Receiver Appointment Order is attached hereto as **Appendix "A"**.

3. Pursuant to an Order of the Court dated July 15, 2025 (the "**Sales Officer Appointment Order**"), AGI was appointed as the Sales Officer of the property, assets and undertakings of Woodington Management and 785 (collectively, the "**Business Assets**") under section 101 of the CJA. The Sales Officer Appointment Order, *inter alia*: (i) approved a process to solicit interest in a transaction to acquire the Woodington Estates Assets and the Business Assets (the "**Sale Process**") and (ii) authorized and empowered the Sales Officer to control the receipts and disbursements and monitor the affairs of Woodington Management and 785 (the "**Monitoring Mandate**"). A copy of the Sales Officer Appointment Order is attached hereto as **Appendix "B"**.

4. Woodington Estates is the registered and beneficial owner of the Real Property, upon which a thirty-six-hole golf course, approximately 32,000 square foot clubhouse facility and supporting infrastructure known as the "Woodington Lake Golf Club" is situated and from which a golf club business is operated (the "**Golf Club**"). The Golf Club is operated and overseen by Woodington Management and/or 785.

5. The primary purpose of these proceedings was to conduct the Sale Process. In that regard and as more fully discussed in the second report of the Receiver and Sales Officer dated January 26, 2026 (the "**Second Report**"), the Receiver and Sales Officer, as vendor, and Purposeful Group WL Ltd. ("**Purposeful**" or the "**Purchaser**"), as purchaser, entered into an agreement of purchase and sale dated January 14, 2026 (the "**APS**") for the sale of substantially all of the Woodington Estates Assets and the Business Assets (the "**Transaction**"), conditional only on Court approval. A redacted copy

of the APS is attached hereto as **Appendix "C"**. The only redactions to the APS are in respect of the Purchase Price (as defined in the APS) and the allocation thereof, and the Deposit (as defined in the APS) being certain terms relating to the consideration provided under the Transaction.

6. On February 10, 2026, the Honourable Justice Black of the Court released an endorsement (the "**February 10 Endorsement**"), among other things, granting an approval and vesting order dated February 4, 2026 (the "**AVO**"), *inter alia*, approving the APS and the Transaction. Copies of the AVO and the February 10 Endorsement are attached hereto as **Appendix "D"** and **Appendix "E"**, respectively.

7. On February 23, 2026, the Honourable Justice Black released a further endorsement (the "**February 23 Endorsement**") underlying a Distribution and Ancillary Order (the "**Distribution and Ancillary Order**"), *inter alia*:

   a. authorizing the Receiver and Sales Officer to make a distribution to Eisen as set out in the Second Report, from the net proceeds of the Transaction;

   b. approving the Prior Reports (as defined below) including the actions, activities and conduct of the Receiver and Sales Officer described therein;

   c. approving the Interim SRD;

   d. approving the fees and disbursements of the Receiver and Sales Officer and A&B; and

   e. sealing the Confidential Appendices to the Second Report until closing of the Transaction.

   A copy of the February 23 Endorsement is attached hereto as **Appendix "F"**.

8. To date, AGI, in its capacity as Receiver, has filed three reports and four supplementary reports with the Court, summarized as follows:

   a. the Receiver's first report to Court dated January 27, 2025 (the "**First Report**");

   b. the Receiver's supplementary First Report dated May 13, 2025 (the "**Supplementary First Report**");

   c. the Receiver's second supplementary First Report dated June 20, 2025 (the "**Second Supplementary First Report**");

   d. the Receiver's third supplementary First Report dated July 10, 2025 (the "**Third Supplementary First Report**");

   e. the Second Report; and

   f. the Supplementary Second Report of the Receiver and Sales Officer dated January 28, 2026 (the "**Supplementary Second Report**" and together with the foregoing reports, the "**Prior Reports**"); and

g. the Third Report of the Receiver and Sales Officer dated March 4, 2026 (the "**Third Report**").

9. Copies of the First Report, the Supplementary First Report, the Second Supplementary First Report, the Third Supplementary First Report, the Second Report, the Supplementary Second Report and the Third Report, each without appendices, are attached hereto as **Appendix** "**G**", **"H"**, **"I"**, **"J"**, **"K"**, **"L" and "M"**, respectively. Copies of the Prior Reports and the Third Report, with appendices, are available on the Case Website (as defined below).

10. The Receiver and Sales Officer has established a case website at https://www.albertgelman.com/filedocuments (the "**Case Website**"), where copies of Orders and other materials pertaining to these proceedings are available in electronic form.

## II. PURPOSE OF THIS REPORT

11. The purpose of this Fourth Report is to provide the Court with information pertaining to:

a. relevant background regarding the ownership and operations of the Golf Club;

b. the creditors of Woodington Management, as known or understood by the Receiver/Sales Officer; and

c. the Receiver/Sales Officer's motion (the "**Advice and Directions and Ancillary Relief Motion**") for:

i. an Order:

(1) approving the Third Report and this Fourth Report and the actions, conduct, and activities of the Receiver and Sales Officer, as detailed therein and herein, respectively;

(2) increasing the amount secured by the Receiver's Charge and Sales Officer's Charge, as defined in the Receiver Appointment Order and the Sales Officer Appointment Order, respectively, from $650,000 to $1.5 million in the aggregate;

(3) increasing the Receiver's borrowing limit and the corresponding Receiver's Borrowing Charge (as defined in the Receiver Appointment Order) from $250,000 to $500,000, which is required in order to continue funding the exercise of the powers and duties conferred upon the Receiver pursuant to the Receiver Appointment Order;

(4) increasing the Sales Officer's borrowing limit and the Sales Officer's Borrowing Charge (as defined Sales Officer Appointment Order) from $500,000 to $1.0 million, which is required in order to continue funding the exercise of the powers and duties conferred upon the Sales Officer pursuant to the Sales Officer Appointment Order. The Receiver's Charge,

Sales Officer's Charge, Receiver's Borrowing Charge and Sales Officer's Borrowing charge are collectively referred to herein as the "**Court-Ordered Charges**";

(5) approving the first amendment to the APA dated March 13, 2026 (the "**APA Amendment**");

(6) amending the Sales Officer Appointment Order to accommodate the entering into of the Management Agreement (as defined below), as contemplated by the APA Amendment;

(7) authorizing the Sales Officer to execute the Management Agreement and any and all necessary documentation ancillary thereto;

(8) granting provisional execution of the Management Agreement;

(9) for costs, as the Court deems appropriate, in its discretion; and

(10) such further and other relief as the Court may deem just;

ii. advice and direction of the Court with respect to the payment of various expenses that are being requested by current management of Woodington Management and 785, including, without limitation, the outstanding legal fees owing by 785 to Blaney McMurtry LLP and further fees being incurred by Blaney McMurtry LLP ("**Blaney**"); and

iii. such further and other relief as the Court may deem just.

## III. SCOPE AND TERMS OF REFERENCE

12. In preparing this Fourth Report, the Receiver and Sales Officer has relied upon certain unaudited financial information, the Debtors' books and records, discussions with the Debtors, their principal and legal counsel (Blaney) and other stakeholders and individuals with knowledge of the Debtors' affairs.

13. While the Receiver and Sales Officer has reviewed the various documents and other information obtained from the Debtors and other parties, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**") or otherwise. Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.

14. This Fourth Report has been prepared for the use of this Court and the Debtors' stakeholders as general information relating to the Debtors and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Fourth Report

may not be appropriate for any other purpose. The Receiver/Sales Officer will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Fourth Report contrary to the provisions of this paragraph.

15. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

16. Capitalized terms not otherwise defined in this Fourth Report (including above) have the meanings given to them in the Second Report.

## IV. BACKGROUND REGARDING OWNERSHIP/OPERATIONS OF THE GOLF CLUB

17. A detailed background regarding the Debtors, their creditors and events leading to the Receivership Application, Receiver Appointment Order and Sales Officer Appointment Order is included in the Prior Reports and detailed discussion is not repeated herein to avoid duplication.

18. The following section is focused on providing relevant background regarding the ownership and operations of the Golf Club to provide the Court with information and context to the Advice and Directions and Ancillary Relief Motion.

### Undocumented Alleged Assignment

19. As discussed in the First Report, the Receiver/Sales Officer understands that Mr. Chetti, through Rockland Estates Inc. ("**Rockland**"), which is a company that was controlled by him, acquired the Golf Club pursuant to an agreement of purchase and sale dated December 22, 2017 (the "**Golf Club Business APS**"). Following a series of amendments to the Golf Club Business APS, the closing date was extended to January 11, 2019, additional deposit payments were made, and the collective cash purchase price was increased to $8.5 million. Pursuant to an assignment agreement dated January 11, 2019 (the "**Assignment Agreement**"), among other things, Rockland assigned the Golf Club Business APS to Woodington Management.

20. As further discussed in the First Report, the Receiver and Sales Officer understands that ownership and/or operations of the Golf Club were purportedly transferred from Woodington Management to 785 in early December 2023, as represented by the Debtors (the "**Alleged Assignment**").

21. As further noted in the Prior Reports and below, following its appointment, the Receiver requested, but was never provided, any documentation to support the Alleged Assignment.

### Events Leading Up to the Purported Assignment of the Golf Club Business to 785

22. As discussed in the Prior Reports, prior to the appointment of the Receiver, in June 2023, Goldy, through its counsel, initiated power of sale proceedings (the "**Goldy Power of Sale Proceedings**") for the sale of the Golf Course Lands (as defined in the First Report) unless the full indebtedness under the Goldy Loan was repaid by September 18, 2023.

23. As further discussed in the Prior Reports, the parties then entered into a forbearance agreement, however, due to defaults thereunder, Goldy arranged for the Golf Course Lands to be listed for sale on December 29, 2023.

24. In the responding affidavit of Mr. Chetti sworn September 9, 2024, filed in opposition to the Receivership Application, Mr. Chetti represented that, since December 12, 2023, the Golf Club has been owned and operated by 785, following the initiation of the Goldy Power of Sale Proceedings and nearly two weeks prior to the Golf Course Lands being listed for sale thereunder.

25. The Receiver/Sales Officer understands that neither Eisen nor Turf Care, who each hold security against the assets of Woodington Management (Eisen also holds a guarantee from Woodington Management to secure the obligations under the Eisen Loan), were made aware of the Alleged Assignment. As previously noted in the Prior Reports and in consideration of the foregoing, the Alleged Assignment raises the question of whether the transfer/conveyance actually took place, and if so, if it gives rise to a fraudulent preference or challengeable transaction.

**Operations of the Golf Club**

26. As at the date of the Sales Officer Appointment Order, the Golf Club business was transacting day-to-day operations under one bank account in the name of 785 (the "**785 Account**") held at The Bank of Nova Scotia ("**BNS**"). The Receiver and Sales Officer understands that the 785 Account was opened in February 2025. The Receiver and Sales Officer further understands that prior to this date, the Golf Club business was previously transacting day-to-day operations under another bank account held at the Toronto-Dominion Bank registered under Woodington Management.

27. There is further indication from observing the Golf Club's accounting records that the Golf Club business had operated other bank accounts for day-to-day operations held at National Bank of Canada ("**NBC**") during fiscal years 2023 and 2024. It is currently unknown to the Receiver and Sales Officer which entity the NBC account was held under. Further, the Receiver and Sales Officer has no clarity regarding the purpose under which the NBC accounts were abandoned for accounts at BNS.

28. As discussed in the Second Report, in carrying out the Monitoring Mandate, the Receiver observed that:

    a. the Golf Club's accounting records, cheques, payroll reports, T4s issued to employees, and sales and vendor invoices have been issued under the name Woodington Management or the operating name, "Woodington Lake Golf Club";

    b. payroll source deductions for the Golf Club's employees are applied to the CRA payroll account (and CRA business number) of Woodington Management;

c. HST charged to customers is processed using the CRA HST account (and CRA business number) of Woodington Management; and

d. all operating activity of the Golf Club business, as well as its known assets and liabilities, are recorded in the Woodington Management accounting system.

29. Based on the foregoing observations, the Receiver understands that all operating activities of the Golf Club business are conducted by Woodington Management. All revenues generated from the operation of the Golf Club business and all expenses incurred in connection therewith relate to the operations of Woodington Management. In this regard, 785 does not appear to independently carry on business operations or generate revenue. Rather, based on the Receiver's observations to date, 785 appears to function solely as a bank account through which Woodington Management deposits revenues from the Golf Club business and pays operating expenses. Accordingly, the funds flowing through the 785 Account represent proceeds generated from the operations of Woodington Management and amounts disbursed in respect of those operations.

## V. KNOWN OBLIGATIONS OF WOODINGTON MANAGEMENT

30. The Receiver is aware of the following priority obligations owing by Woodington Management:

a. amounts owing under the Receiver's Charge and Sales Officer's Charge, as defined in the Receiver Appointment Order and Sales Officer Appointment Order, respectively. The aggregate balance currently owing to the Receiver/Sales Officer as of the date of this Fourth Report is approximately $472,000. Pursuant to the Sales Officer Appointment Order, the Receiver's Charge and the Sales Officer's Charge form a first ranking charge on the Woodington Estates Assets and the Business Assets;

b. amounts secured by the Receiver's Borrowing Charge and the Sales Officer's Borrowing Charge, in the approximate amount of $281,000 and $428,000 as at the date of this report (each including accrued interest), respectively;

c. amounts owing to CRA for unremitted payroll source deductions (approximately $605,000) and HST (approximately $1.3 million), excluding penalties and interest which continue to accrue;

d. the obligations owing under the Turf Care Loan in the approximate amount of $1.1 million (as at January 31, 2026);

e. the purported obligations owing to Rock Garden, which has registered security against the assets of Woodington Management in the amount of $500,000; and

f. any obligations that may be owing to Eisen under the Eisen GSA.

31. In addition, Woodington Management's books and records indicate that it owes approximately $600,000 to its trade suppliers (as recorded in the Woodington Management internal financials as at

November 30, 2025, and which the Receiver/Sales Officer understands has not materially changed since that date).

32. Taking all the foregoing into consideration, as of the date of this Fourth Report, Woodington Management has significant obligations outstanding, the majority of which have accrued over a period predating the Receiver's appointment, and was evidently not paying its obligations as they came due.

## VI. INFORMATION REQUESTS TO 785 AND OWNERSHIP OF THE FUNDS IN THE 785 ACCOUNT

33. Following the Appointment Date and in light of the questions raised by the facts surrounding the Alleged Assignment, the Receiver requested on several occasions a copy(ies) of the agreement(s) supporting the transfer/conveyance of the Golf Club assets from Woodington Management to 785 to, among other things, confirm the purpose and validity of the transaction, as well as to confirm what consideration, if any, was exchanged. Further, the Receiver's concerns regarding the facts behind the Alleged Assignment have been provided to this Court, and all readers, in certain of the Prior Reports, including the First Report, the Supplementary First Report and the Second Report.

34. As discussed in the Supplementary First Report, specifically at paragraphs 23 to 29, the Receiver has, without limitation, requested, in writing, further information on the Alleged Assignment on at least four occasions, including on February 4, 2025, February 10, 2025, March 4, 2025 and April 24, 2025 (the "**Information Request Emails**") (in addition to numerous verbal requests for such documentation during meetings with the Debtors, Mr. Chetti and counsel to 785). Copies of the Information Request Emails are attached hereto as **Appendix "N"**.

35. As of the date of this Fourth Report, the Receiver has not received a response to its information requests in respect of the Alleged Assignment. In addition, the affidavits filed in these proceedings by the Debtors' representatives do not, in any substantive way, address the Alleged Assignment and/or the information requested by the Receiver in connection therewith.

36. Further, through the Monitoring Mandate, the Sales Officer was unable to corroborate the consideration or documentary basis of the Alleged Assignment.

37. In further accordance with the Monitoring Mandate, the CRA confirmed with the Sales Officer that 785 had not filed any GST/HST returns, corporate tax returns or payroll remittances since the entity was incorporated in 2023.

38. Counsel for 785 (being Blaney and who, to the Receiver and Sales Officer's understanding, only represents 785 and not Woodington Estates or Woodington Management) has been requesting that certain of its legal fees be paid from the accounts of 785.

39. Prior to the payment of these legal fees, the Receiver and Sales Officer is requesting the Court's advice and direction in light of the concerns that the Alleged Assignment: (i) may have been

conducted in a manner to frustrate the enforcement efforts of creditors, (ii) resulted in the funds being held in 785's accounts that are not properly property of 785, thereby depriving the creditors of Woodington Management or Woodington Estates, and (iii) is unsupported in any written documentation.

40. To the extent that the Alleged Assignment may have been an improper transfer/transaction, the Receiver and Sales Officer is concerned that 785 is spending funds that are rather distributable to the creditors of Woodington Management (which, based on the information available to the Receiver/Sales Officer, appears to be insolvent) or Woodington Estates. Pursuant to the Sales Officer Appointment Order, the Sales Officer is empowered "to exercise control over any and all receipts and disbursements of the Business".

41. The Receiver and Sales Officer is willing to distribute the funds in 785's account for the legal fees accrued, however, in light of the suspicious circumstances surrounding the Alleged Assignment, the Receiver and Sales Officer is seeking the Court's advice and direction prior to releasing the funds.

## VII. THE AVO APPEAL

42. On January 26, 2026, the Receiver and Sales Officer served its motion (the "**Sale Approval and Ancillary Relief Motion**") seeking, among other things, the AVO and the Distribution and Ancillary Order.

43. The Sale Approval and Ancillary Relief Motion was opposed by each of 785 and John Chetti.

44. As noted above, the Court granted the AVO and the Distribution and Ancillary Order, as particularized in the February 10 Endorsement and the February 23 Endorsement, respectively. The Receiver and Sales Officer notes that the AVO initially granted included a paragraph providing for provisional execution. However, in His Honour's February 23 Endorsement, that provision was deleted.

45. On February 20, 2026, 785 and John Chetti (together, the "**Appellants**") served a Notice of Appeal of the AVO (the "**AVO Appeal**"). A copy of the Appellants' Notice of Appeal is attached hereto as **Appendix "O"**.

46. The AVO Appeal seeks that the AVO be set aside and that, in its place, an order be granted:

    a. establishing a revised sale process with a new sales officer; or

    b. in the alternative, appointing a new sales officer to solicit fresh bids from the eight parties who submitted offers in the Sale Process and evaluate the bids in coordination with AGI in its capacity as Receiver of Woodington Estates.

47. In addition to the AVO Appeal, on February 25, 2026, the Appellants served a Notice of Motion in the Ontario Divisional Court (the "**Divisional Court Motion**") seeking, *inter alia*:

a. an order confirming that leave to appeal the AVO is not required;

b. in the alternative, an order granting leave to appeal the AVO and staying the AVO pending disposition of the appeal; and

c. costs of the Divisional Court Motion.

48. As noted therein, the Divisional Court Motion was made out of an abundance of caution to preserve the Appellants' appeal rights in light of arguments raised regarding the requirement to seek leave to appeal.

49. A copy of the Divisional Court Motion is attached hereto as **Appendix "P"**.

## VIII. THE DISTRIBUTION AND ANCILLARY ORDER APPEAL

50. On March 5, 2026, 785 served a Notice of Appeal of the Distribution and Ancillary Order (the "**Ancillary Order Appeal**"). A copy of 785's Notice of Appeal is attached hereto as **Appendix "Q"**.

51. The Ancillary Order Appeal seeks that the proposed distribution to Eisen in the Distribution and Ancillary Order be set aside.

52. The Receiver and Sales Officer is currently reviewing the Ancillary Order Appeal, and will respond as it deems appropriate within that proceeding.

## IX. DISCUSSIONS FOLLOWING THE FEBRUARY 23 ENDORSEMENT

53. As provided in the February 23 Endorsement, Justice Black notes: "I direct that 785 and AGI, and their respective counsel, compare notes as to 785's proposed operational expenditures to see what can be agreed. It may be helpful on this front for AGI to determine from the Purchaser what its preferences are in terms of expenditures to ready the Golf Club for use."

54. Following the February 23 Endorsement, counsel for 785 sent correspondence to the Receiver and Sales Officer with a budget for the proposed operational expenditures (the "**Proposed Budget**"), which is attached hereto as **Appendix "R"**. The Proposed Budget is for a total of $398,000, comprised of the following amounts:

a. Budget expenses: $240,000;

b. Legal Expenses: $90,000; and

c. Other Operating Expenses: $68,000.

55. As of the date of this Fourth Report, the 785 Account holds approximately $200,000 in available funds.

56. On March 9, 2026, counsel for the Purchaser wrote a letter to advise the Debtors and AGI that it will not assume or be responsible for any expenses incurred without its prior consent and that "it will also not pay any additional amount (or agree to any price adjustment) for inventory or other items acquired without its consent" (the "**Purposeful Letter**"). A copy of the Purposeful Letter is attached here as **Appendix "S"**.

57. As noted in the Third Report, in light of the fast-approaching 2026 golf season and the seasonal nature of the Golf Club's operations, both prior to and following the granting of the AVO, the Receiver/Sales Officer actively engaged with the Purchaser, with the involvement/cooperation of Mrs. Chetti (and certain Woodington Management employees) to facilitate an orderly transition of the business and closing of the Transaction. The key activities have included attending an in-person meeting on January 29, 2026 with representatives of Purposeful and Mrs. Chetti, advancing customary closing preparations, coordinating final diligence, addressing operational continuity matters, and planning for the transition of employees, vendor relationships, bookings, and other ongoing operations, all with a view to preserving enterprise value and minimizing disruption at the commencement of the season.

58. The Receiver/Sales Officer understands that, in advance of the upcoming golf season, the Golf Club is required to incur certain preparatory expenditures. In the ordinary course of business, Woodington Management/785 is taking steps to generate funds to support these seasonal preparations, including conducting promotional sales of green fee packages. In particular, there are plans to launch a promotional sale in connection with St. Patrick's Day, which is scheduled to occur within the next week. The Receiver/Sales Officer understands that similar promotional initiatives have been undertaken historically and has been advised that such initiatives have generated significant revenue for the business. These promotional sales present an opportunity to generate near-term liquidity that may assist in funding expenses required to ready the Golf Club for the upcoming season.

59. As detailed in the Second Report, in carrying out the Monitoring Mandate, the Receiver/Sales Officer identified certain transactions from July to September 2025 totalling approximately $397,000. These funds were improperly withdrawn from the 785 Account, misappropriated and/or insufficiently supported to confirm a reasonable business purpose. These funds represent significant liquidity that would otherwise have been available to support the ongoing expenses and operational needs of the Golf Club business, including expenditures required to prepare the Golf Club for the upcoming season.

## X. AMENDMENT TO APA AND PROPOSED INTERIM MANAGEMENT ARRANGEMENT

60. In light of the appeal of the AVO, the Outside Date (March 13, 2026) under the APA is no longer feasible. Accordingly, the Receiver/Sales Officer and the Purchaser have negotiated the APA Amendment to extend the Outside Date in order to preserve the transaction while the AVO Appeal

is determined. As a condition to agreeing to such extension, the APA Amendment provides for certain conditions that would permit the Purchaser to have operational oversight and involvement in the Golf Club business during the interim period pending the determination of the AVO Appeal.

61. In connection with the APA Amendment, a copy of which is attached hereto as **Appendix "T"**, the Receiver/Sales Officer and the Purchaser have negotiated the key terms of an interim management agreement (the "**Management Agreement**"), which remains subject to Court approval. A summary of the key terms contemplated thereunder is provided as follows:

    a. the Purchaser will appoint an individual to act as general manager, who will assume responsibility for the overall day-to-day management and operational oversight of the Golf Club;

    b. through its senior management team, the Purchaser will provide interim management services and oversight across all operational functions of the Golf Club, including agronomy, golf operations, food and beverage, culinary, human resources, marketing, and administration;

    c. during the term of the Management Agreement, the Purchaser's appointee will provide monthly financial reporting to the Receiver/Sales Officer. All contracts and disbursements exceeding $500 will require the Receiver/Sales Officer's review and approval prior to execution;

    d. ordinary course operating costs of the Golf Club, including payroll, vendor payments, and maintenance costs, will continue to be paid by the Receiver/Sales Officer or the Debtors as would be the case in the normal course of operations;

    e. the Purchaser will bear all costs associated with its own management personnel and will provide the management services without charging any management fee;

    f. effective March 13, 2026, all revenue generated from the operations of the Golf Club, net of ordinary course operating expenses, will be held in escrow for the benefit of the Purchaser, without adjustment to the Purchase Price under the APA, subject to the closing of the Transaction and dismissal of the AVO Appeal; and

    g. the Management Agreement will become effective upon court approval and will remain in effect until termination provisions are triggered, including the success of the appeal or the closing of the Transaction.

**Receiver/Sales Officer Recommendation Regarding the APA Amendment and Proposed Management Agreement**

62. The Receiver/Sales Officer recommends that this Honourable Court grant an order approving the APA Amendment for the following reasons:

a. the APA Amendment and interim Management Agreement are necessary to preserve the Transaction contemplated by the APA, which was previously approved by the Court. But for the appeal of the AVO, the Transaction would have closed on or about March 13, 2026;

b. the AVO Appeal has created an interim period during which the Transaction cannot close. The APA Amendment and proposed Management Agreement provide a practical framework for maintaining the viability of the Transaction while the appeal process runs its course;

c. the Purchaser has advised that it does not have confidence in the current management of the Golf Club business to manage the assets that it would otherwise already own but for the AVO Appeal. As a condition to extending the Outside Date and keeping the Transaction alive, the Purchaser requires operational oversight of the business during the interim period;

d. absent the APA Amendment and the entry into the proposed Management Agreement, the Purchaser has indicated it would not agree to extend the Outside Date, which would result in the termination of the Transaction;

e. if the Transaction with the Purchaser were to terminate, a further marketing and sale process for the Golf Club would likely have to be undertaken. A renewed sale process would result in significant additional costs, delay, and uncertainty, and would likely materially prejudice creditors and other stakeholders; and

f. as described in the Prior Reports, the existing Transaction is the result of a robust and comprehensive sale process conducted by the Receiver/Sales Officer, which took significant time and effort to complete and resulted in a value-maximizing outcome for the benefit of the Debtors' creditors/stakeholders.

## XI. INCREASE OF COURT-ORDERED CHARGES

63. In light of the manner in which the duties and responsibilities imposed on the Receiver and Sales Officer have unfolded and arisen, including with respect to the recent appeals and the motion to the Ontario Divisional Court, the work required by the Receiver and Sales Officer, and its counsel, to complete its mandates has meaningfully increased from that which was contemplated at the time of the Receiver Appointment Order and Sales Officer Appointment Order.

64. The Court-Ordered Charges were contemplated, in each case, pursuant to consent appointments of the Receiver and Sales Officer, to carry out the duties and powers under the Receivership

Appointment Order and Sales Officer Appointment Order, respectively, and to carry out the Sale Process.

65. In light of the numerous Court attendances and oppositions on this matter, the Receiver and Sales Officer is seeking the following increases:

    a. the Receiver's Charge and Sales Officer's Charge from $650,000 to $1.5 million in the aggregate;

    b. the Receiver's borrowing limit and the corresponding borrowing charge of the Receiver from $250,000 to $500,000, which is required in order to continue funding the exercise of the powers and duties conferred upon the Receiver; and

    c. the Sales Officer's borrowing limit and the corresponding borrowing charge of the Sales Officer from $500,000 to $1.0 million, which is required in order to continue funding the exercise of the powers and duties conferred upon the Sales Officer.

## XII. RECOMMENDATION AND CONCLUSION

66. Based on all of the foregoing, the Receiver and Sales Officer respectfully recommends that this Honourable Court make an order, *inter alia*, granting the relief set out in paragraph 11(c) of this Fourth Report.

All of which is respectfully submitted this 13th day of March 2026.

Albert Gelman Inc.

**ALBERT GELMAN INC.,**
**solely in its capacity as**
**Receiver of Woodington Estates Inc. and**
**Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited**
**and not its personal or any other capacity**

# APPENDIX “A”

Court File No. CV-24-00725570-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

| | | |
|---|---|---|
| THE HONOURABLE | ) | MONDAY, THE 2ND DAY |
| | ) | |
| JUSTICE W.D. BLACK | ) | OF DECEMBER, 2024 |

B E T W E E N:

**MELVYN EISEN, TRUSTEE**

Applicant

- and –

**WOODINGTON ESTATES INC.**

Respondent

# ORDER
**(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Albert Gelman Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Woodington Estates Inc. (the "**Respondent**") acquired for, or used in relation to a business carried on by the Respondent, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Melvyn Eisen sworn August 7, 2024 and the Exhibits thereto, the affidavit of Melvyn Eisen sworn November 21, 2024 and the Exhibits thereto, the

affidavit of Kenneth Gold sworn August 30, 2024 and the Exhibits thereto, the affidavit of Kenneth Gold sworn November 20, 2024 and the Exhibits thereto, the affidavit of Joseph Chetti sworn September 9, 2024 and the Exhibits thereto, and the certificate of Melvyn Eisen dated December 1, 2024 and the Appendices thereto, and on reading the consent of Albert Gelman Inc. to act as the Receiver,

**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.

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Albert Gelman Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent, including, without limitation, the real property municipally known as 7110 4th Line, Tottenham, Ontario and described in Schedule "A" hereto (the "**Property**").

**RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security

personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondent;

(d) to engage brokers, consultants, appraisers, agents (including real estate agents), experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondent or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;

(g) to settle, extend or compromise any indebtedness owing to the Respondent;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondent, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondent, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or

applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, with Joseph Chetti, the principal of the Respondent, and his representatives having a consultative role in the development of the marketing and sale of the Property only;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $250,000 provided that the aggregate consideration for all such transactions does not exceed $1,000,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for the Property and any property owned or leased by the Respondent;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondent, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDER**S that (i) the Respondent, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting

records, and any other papers, records and information of any kind related to the business or affairs of the Respondent, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this

Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE RESPONDENT OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondent or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondent in respect of or related to the Property, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondent in respect of or related to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondent in respect of or related to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondent's current 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 Receiver in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in

section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

**PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver 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 (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable

Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

**LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

**RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

**FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

**SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (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 www.ontariocourts.ca/scj/practice/practice-directions/toronto/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*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 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 Protocol with the following URL: https://www.albertgelman.com/corporate-solutions/other-engagements/

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is 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 transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel 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 to the Respondent's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

**GENERAL**

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.

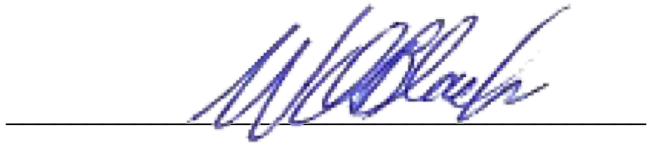
30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

31. **THIS COURT ORDERS** that the Receiver be at liberty and is 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 Receiver 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.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondent's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that this order is effective from the date it is made, and it is enforceable without any need for entry and filing, provided that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.



## SCHEDULE "A"

## THE PROPERTY

PIN: 58170-0498 LT

Legal Description: PT LTS 1, 2 & 3 CON 4 AS IN RO1284373 EXCEPT PT 1 51R31629 TECUMSETH; S/TRO318906; NEW TECUMSETH

**SCHEDULE "B"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that Albert Gelman Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Woodington Estates Inc. acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2024 (the "**Order**") made in an action having Court file number CV-24-00725570-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2024.

Albert Gelman Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

**MELVYN EISEN, TRUSTEE** -and- **WOODINGTON ESTATES INC.**

Applicant Respondent

Court File No. CV-24-00725570-00CL

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

**RECEIVERSHIP ORDER**

**CHAITONS LLP**
5000 Yonge Street, 10th Floor
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**Lawyers for the Applicant**

# APPENDIX “B”

Court File No. CV-24-00725570-00CL

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

| | | |
|---|---|---|
| THE HONOURABLE | ) | TUESDAY, THE 15TH DAY |
| | ) | |
| JUSTICE W.D. BLACK | ) | OF JULY, 2025 |

B E T W E E N:

**MELVYN EISEN, TRUSTEE**

Applicant

- and -

**WOODINGTON ESTATES INC.**

Respondent

**IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER**
**(Appointment of Sales Officer, Sale Process Approval and Ancillary Relief)**

**THESE MOTIONS** made by the Applicant and Albert Gelman Inc. ("**AGI**") in its capacity as receiver (the "**Receiver**") over all of the assets, undertakings and property of Woodington Estates Inc. ("**Woodington Estates**"), including the real property known municipally as 7110 4th Line, Tottenham, Ontario (the "**Real Property**"), for an Order, among other things, (i) appointing AGI as sales officer (in such capacity, the "**Sales Officer**") to carry out the sale process set out in Schedule "A" hereto (the "**Sale Process**") for the sale of all the assets, undertakings and properties of Woodington Estates, Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**"), (ii) approving the Sale Process and authorizing AGI as Sales Officer to conduct the Sale Process; (iii) sealing the confidential appendices to the

supplementary first report of the Receiver dated May 13, 2025 (the "**Supplementary First Report**") and the confidential exhibits to the affidavit of Kenneth Gold sworn May 13, 2025 (the "**Gold Affidavit**"); and (iv) approving the interim statement of receipts and disbursements of the Receiver, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

**ON READING** the affidavits of Melvyn Eisen sworn May 13, 2025 and June 20, 2025, and the exhibits to each, the Gold Affidavit and the exhibits attached thereto, the affidavits of Joseph Chetti sworn February 19, 2025 and June 16, 2025, and the exhibits to each, and the First Report of the Receiver dated January 27, 2025, the Supplementary First Report, the Second Supplementary First Report of the Receiver dated June 20, 2025, the Third Supplementary First Report of the Receiver dated July 10, 2025, and the appendices to each, and on hearing the submissions of counsel for the parties and on the consent of the parties,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notices of Motion and the Motion Records is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

**DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the Sale Process.

**APPOINTMENT**

3. **THIS COURT ORDERS** that pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, AGI is hereby appointed as Sales Officer, without security, of all the assets, undertakings and properties of Woodington Management and 785 (collectively, with Woodington Estates, the "**Respondents**"), and all proceeds thereof, including the business and assets of Woodington Lake Golf Club operating on the Real Property (collectively, the "**Business**").

4. **THIS COURT ORDERS** that:

a) the Sales Officer shall not take possession of the Business and shall take no part whatsoever in the management of the Business (which shall continue to be managed by Woodington Management and 785) and shall not, in fulfilling its obligations hereunder, be deemed to have taken or maintained possession of the Business;

b) the Sales Officer shall not be and shall not be deemed to be a receiver for purposes of subsection 243(1) of the Bankruptcy and Insolvency Act (the "BIA") or under any other statute; and

c) the Sales Officer shall have none of the obligations of a receiver under Part XI of the BIA, other than section 247, and for greater certainty it shall not send notice of its appointment or this order to the Superintendent in Bankruptcy or to the known creditors of the Respondents.

**SALES OFFICER'S POWERS**

5. **THIS COURT ORDERS** that, subject to paragraphs 4 and 6 of this Order, the Sales Officer is hereby empowered and authorized, but not obligated, to act at once in respect of the Business and, without in any way limiting the generality of the foregoing, the Sales Officer is hereby expressly empowered and authorized to do any of the following where the Sales Officer considers it necessary or desirable:

a) to monitor the operation of the Business and the financial affairs of Woodington Management and 785;

b) to exercise control over any and all receipts and disbursements of the Business. For greater certainty, the Sales Officer shall permit Woodington Management and 785 to pay reasonable ordinary course expenses for the supply of goods and services of the Business, provided that all disbursements of the Business shall remain subject to approval by the Sales Officer;

c) to engage brokers, consultants, appraisers, agents (including real estate agents), experts, auditors, accountants, managers, counsel and such other persons from time to

time and on whatever basis, including on a temporary basis, to assist with the exercise of the Sales Officer's powers and duties, including without limitation those conferred by this Order;

d) to report to, meet with and discuss with such affected Persons (as defined below) as the Sales Officer deems appropriate on all matters relating to the Business and these proceedings, and to share information, subject to such terms as to confidentiality as the Sales Officer deems advisable; and

e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Sales Officer takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondents, and without interference from any other Person.

6. **THIS COURT ORDERS** that nothing contained in this Order derogates from the Receiver's powers and authority pursuant to and under the terms of the appointment Order dated December 2, 2024 granted in these proceedings (the "**Receivership Order**").

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE SALES OFFICER**

7. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall fully cooperate with the Sales Officer in connection with the monitoring of the operation of the Business and the financial affairs of Woodington Management and 785, including providing all documents and information in their possession and control as may be requested by the Sales Officer.

8. **THIS COURT ORDERS** that all Persons shall forthwith advise the Sales Officer of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Business or affairs of

Woodington Management or 785, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Sales Officer or permit the Sales Officer to make, retain and take away copies thereof and grant to the Sales Officer unfettered access to the Real Property and the Business, including access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Sales Officer due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Sales Officer for the purpose of allowing the Sales Officer to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Sales Officer in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Sales Officer. Further, for the purposes of this paragraph, all Persons shall provide the Sales Officer with all such assistance in gaining immediate access to the information in the Records as the Sales Officer may in its discretion require including providing the Sales Officer with instructions on the use of any computer or other system and providing the Sales Officer with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE SALES OFFICER**

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Sales Officer except with the written consent of the Sales Officer or with leave of this Court.

**NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE BUSINESS**

11. **THIS COURT ORDERS** that no Proceeding against or in respect of any of the Respondents or the Business shall be commenced or continued except with the written consent of the Sales Officer or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Respondents or the Business are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

12. **THIS COURT ORDERS** that all rights and remedies against any of the Respondents, the Sales Officer, or affecting the Business, are hereby stayed and suspended except with the written consent of the Sales Officer or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Sales Officer or any of the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Sales Officer or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**CONTINUATION OF SERVICES**

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Respondents in respect of or related to the Business or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents in respect of or related to the Business are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required to operate the Business, 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 Woodington Management and/or 785 in accordance with normal payment practices.

**EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of Woodington Management and 785 shall remain the employees of such Respondents until such time as such Respondents may terminate the employment of such employees. The Sales Officer shall not be liable for any employee-related liabilities, including any successor employer liabilities.

**LIMITATION ON THE SALES OFFICER'S LIABILITY**

15. **THIS COURT ORDERS** that the Sales Officer shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. The Sales Officer is an officer of the Court and not a director, officer, agent or employee of Woodington Management and 785, and the Sales Officer shall be entitled to all of the protections afforded to an officer of the Court pursuant to the terms of this Order, and any applicable legislation, at common law or otherwise.

**SALES OFFICER'S ACCOUNTS**

16. **THIS COURT ORDERS** that the Sales Officer and counsel to the Sales Officer shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Sales Officer and counsel to the Sales Officer shall be entitled to and are hereby granted a charge (the "**Sales Officer's Charge**") on the Real Property and the Business, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Sales Officer's Charge shall form a first charge on the Real Property and the Business in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person. The amount secured by the Sales Officer Charge and the Receiver's Charge in the Receivership Order shall be limited to the amount of $650,000 in the aggregate (or such greater amount as this Court may by further Order authorize). For greater certainty, however, as it relates to the assets, undertakings and property of Woodington Estates, the Sale Officer's Charge shall rank *pari passu* to the Receiver's Charge (as defined in the Receivership Order).

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

18. **THIS COURT ORDERS** that prior to the passing of its accounts, the Sales Officer shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Sales Officer or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

**FUNDING OF THE SALES OFFICER**

19. **THIS COURT ORDERS** that the Sales Officer be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Sales Officer by this Order and the Receivership Order. The whole of the Real Property and the Business shall be and is hereby charged by way of a fixed and specific charge (the "**Sales Officer's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Sales Officer's Charge and the Receiver's Charge (as defined in the Receivership Order).

20. **THIS COURT ORDERS** that neither the Sales Officer's Borrowing Charge nor any other security granted by the Sales Officer in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. **THIS COURT ORDERS** that the Sales Officer is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Sales Officer's Certificates**") for any amount borrowed by it pursuant to this Order.

22. **THIS COURT ORDERS** that the monies from time to time borrowed by the Sales Officer pursuant to this Order or any further order of this Court and any and all Sales Officer's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Sales Officer's Certificates and any Receiver's Certificates.

23. **THIS COURT ORDERS** that, upon the granting of this Order, the title of these proceedings shall be and is hereby amended to the following:

**MELVYN EISEN, TRUSTEE**

Applicant

- and -

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

and the registrar is hereby directed to change and modify its court records as necessary so as to reflect this change in the title of proceeding.

**APPROVAL OF SALE PROCESS**

24. **THIS COURT ORDERS** that the Sale Process set out in Schedule "A" hereto and the procedures contemplated therein be and are hereby approved, subject to such amendments and extensions as AGI, in its capacities as Sales Officer for the Business and Receiver for the Real Property, determines necessary or appropriate in the circumstances.

25. **THIS COURT ORDERS** that AGI is hereby exclusively authorized and directed to implement the Sale Process and do all things as are reasonably necessary to conduct and give full effect to the Sale Process and carry out and perform its obligations thereunder.

26. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order shall fully cooperate with AGI in connection with the Sale Process, including providing all documents and information in their possession and control as may be requested by AGI.

27. **THIS COURT ORDERS** that AGI and its respective affiliates, partners, controlling persons, employees, representatives and agents 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 the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of AGI in performing its obligations under the Sale Process as determined by this Court.

28. **THIS COURT ORDERS** that AGI and its counsel be and are hereby authorized but not obligated, to serve or distribute this Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the Sale Process to any or interested party that AGI considers appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

29. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, AGI is hereby authorized and permitted to facilitate the disclosure and transfer to each potential bidder (collectively, the "**Bidders**" and individually, a "**Bidder**") and to their advisors, if requested by such Bidders, of personal information of identifiable individuals, but only to the extent desirable or required to negotiate or attempt to complete a sale of all or a portion of the Real Property and the Business (a "**Transaction**"), as determined by AGI. Each 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 of the Transaction, and if it does not complete a Transaction, shall return all such information to AGI, or in the alternative destroy all such information. A successful

Bidder shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated by a Winning Bid, shall be entitled to use the personal information provided to it that is related to the Real Property and the Business acquired pursuant to the Transaction in a manner which is in all material respects identical to the prior use of such information by all or any one of the Respondents, as applicable, and shall return all other personal information to AGI, or ensure that all other personal information is destroyed.

30. **THIS COURT ORDERS** that the selection of a Winning Bid shall be made solely by AGI, acting reasonably and in accordance with the Sale Process, and subject to further Order of this Court.

31. **THIS COURT ORDERS** that AGI is hereby authorized to apply for one or more Orders vesting title to the Real Property and the Business, or a portion of such, in a successful Bidder.

**SEALING OF THE CONFIDENTIAL APPENDICES**

32. **THIS COURT ORDERS** that (i) Confidential Appendix "1" and Confidential Appendix "2" to the Supplementary First Report and (ii) the confidential exhibits attached as Exhibit "A" and Exhibit "B" to the Gold Affidavit are hereby sealed and shall not form part of the public record until the completion of a Transaction or further Order of this Court.

**APPROVAL OF THE INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

33. **THIS COURT ORDERS** that the interim statement of receipts and disbursements of the Receiver for the period from December 2, 2024 to May 12, 2025, attached to the Supplementary First Report, be and is hereby approved.

**GENERAL**

34. **THIS COURT ORDERS** that AGI may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

35. **THIS COURT ORDERS** that this Order shall be without prejudice to the ongoing right of the Applicant and Goldy Metals Holdings Inc. to apply for the appointment of a receiver of

Woodington Management and/or 785, including the Business, and for any or all of Woodington Estates, Woodington Management and 785 or any other party to oppose same.

36. **THIS COURT ORDERS** that AGI be at liberty and is 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 AGI 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. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in any province or territory of Canada or in any foreign jurisdiction, to act in aid of and to be complimentary to the Court in carrying out the terms of this Order and to provide such assistance to AGI, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

37. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

**SCHEDULE "A"**

**SALE PROCESS**

**WOODINGTON ESTATES INC. et al.**

## Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December 2, 2024 (the "**December Appointment Order**"), Albert Gelman Inc. ("**AGI**") was appointed as receiver over the assets, undertaking and property of Woodington Estates Inc. ("**Woodington Estates**"), including the real property known municipally as 7110 4th Line, Tottenham, Ontario (the "**Real Property**"), all in proceedings commenced at the Court bearing court file number CV-24-00725570-00CL.

2. In addition to the December Appointment Order, the Court granted an order on July 15, 2025, pursuant to which AGI was appointed as sales officer (in such capacity, the "**Sales Officer**"), without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**", and collectively, with Woodington Estates, the "**Respondents**"), and all proceeds thereof, including the business and assets of Woodington Lake Golf Club operating on the Real Property (collectively, the "**Business**").

3. Woodington Estates is the registered owner of the Real Property on which the Business operates. The Business is operated and overseen by Woodington Management and 785.

4. AGI, in its capacity as Receiver of Woodington Estates and Sales Officer of Woodington Management and 785, has developed these Sale Process Procedures (as defined below) which contemplate a sale process for the Real Property and the Business (the "**Sale Process**") in accordance with the terms herein.

5. On July 15, 2025, the Court granted an order approving the Sale Process (the "**Sale Process Order**"), all in accordance with the terms hereof and as described herein.

## The Opportunity

6. The Sale Process is intended to solicit interest in and opportunities for one or more value maximizing transactions by way of sale in respect of the Real Property and the Business (a "**Transaction**").

7. This document (the "**Sale Process Procedures**") describes the Sale Process, including (a) the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities may gain access to or continue to have access to due diligence materials concerning the Real Property and the Business, (b) how bids involving the Real Property and the Business will be submitted to and dealt with by AGI, and (c) the anticipated timeline of a Transaction, as further detailed below.

8. The Sale Process contemplates a process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

## Key Dates

9. The following chart contains the targeted dates with respect the to sale of the Real Property and the Business.

| Milestone | Targeted Deadline |
|---|---|
| **Anticipated Commencement Date** | July 15, 2025 |
| **Distribution of Sale Process Materials (i.e., Teaser Letter, NDA, etc.)** | July 15, 2025, or as soon as reasonably practicable following this date |
| **Bid Deadline** | September 26, 2025 |
| **Sale Approval Motion** | Week of October 13, 2025, subject to Court availability |
| **Closing of Transaction(s)** | 30 days after the date of the Sale Approval Order or such other date as the parties may agree |

## Commencement of Sale Process

10. The Sale Process shall commence upon the date of the Sale Process Order or on a further date as reasonably determined by AGI (the "**Commencement Date**").

11. As soon as reasonably practicable after this Court's approval of the Sale Process Order, AGI, in consultation with any realtor or other advisor retained by AGI in connection with the Sale Process, shall:

a) in consultation with Woodington Estates, 785 and Woodington Management, prepare a list of parties who may be interested in engaging in a Transaction in respect of the Real Property and the Business (the "**Known Potential Bidders**");

b) in consultation with Woodington Estates, 785 and Woodington Management, prepare a plan for the marketing and sale of the Real Property and the Business;

c) prepare and deliver to the Known Potential Bidders a non-confidential initial offer summary document ("**Teaser Letter**") describing the opportunity in respect of the Real Property and the Business;

d) publish a notice advertising the Sale Process in a national publication and/or such other publications as AGI may deem appropriate or advisable; and

e) post the Sale Process Order, including the Sale Process Procedures and other relevant materials, on its website, under the appropriate matter heading, at the following URL: https://www.albertgelman.com/filedocuments/ (the "**Case Website**").

## Due Diligence

12. Any party who wishes to participate in the Sale Process (a "**Potential Bidder**") must advise AGI in writing of its interest in participating in the Sale Process and must execute and deliver a non-disclosure agreement ("**NDA**") in form and substance satisfactory to AGI. A form of NDA prepared by AGI will be provided to Potential Bidders.

13. Starting on the Commencement Date, AGI will provide the Potential Bidders, who have provided AGI with an appropriately executed NDA, with access to an electronic data room (the "**EDR**"). The EDR will be maintained by AGI and will contain information about the Real Property and the Business, including corporate, financial and other relevant documents provided to AGI, together with such other information as any Potential Bidder may request and to which AGI has access and may approve.

14. AGI and its advisors make no representation or warranty as to the accuracy or completeness of the information contained in the EDR, or any other information provided through the due diligence process. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if AGI determines such information represents proprietary or competitive information.

## "As is, Where is" Basis

15. Any Transaction in respect of the Real Property and the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by AGI or any of its respective agents, partners, shareholders, officers, directors, employees or advisors, and, in the event of a sale, all of the right, title and interest of AGI, Woodington Estates, 785 and Woodington Management in and to the Real Property and the Business will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

## Bid Deadline

16. Any Potential Bidder who wishes to propose a Transaction in respect of the Real Property and the Business (a "**Bid**", and the Potential Bidder, a "**Bidder**"), shall submit its Bid to AGI by email, at the contact information below, by no later than **5:00 p.m. EST** on **September 26, 2025** (the "**Bid Deadline**"):

**Albert Gelman Inc.**, in its capacity as Receiver of Woodington Estates Inc. and as Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited.

Attn: Adam Zeldin
Tel. (416) 504-1650 (ext. 129)
Fax. (416) 504-1655
Email: azeldin@albertgelman.com

17. Only Bids received that are Qualified Bids (as defined below) will be considered by AGI.

18. AGI shall be entitled to negotiate and to seek clarification of or improvements to a Bid as soon as it is filed, and need not wait until the Bid Deadline.

## Qualified Bids

19. A Bid submitted by a Bidder in this Sale Process will constitute a "**Qualified Bid**" only if it meets the following criteria in form and substance satisfactory to AGI (the "**Bid Requirements**"). The Bid(s) shall:

a) be a Bid to acquire all or substantially all of the Real Property and the Business (a "**Sale Proposal**");

b) be consistent with any necessary terms and conditions established by AGI, and communicated to the Bidders, including the Sale Process Procedures;

c) include a letter stating that (i) the Bidder's offer is irrevocable until the selection of the Winning Bid (as defined below); and (ii) if such Bidder is selected as submitting the Winning Bid, its Bid shall remain irrevocable until the closing of the Transaction;

d) include a duly authorized and executed Transaction agreement on the provided template agreement, or in a form and substance satisfactory to AGI, clearly specifying, among other things, the consideration to be paid by the Bidder on closing of the Transaction (the "**Purchase Price**"), together with all exhibits and schedules to the Transaction agreement;

e) include a detailed allocation, for the Bidder's accounting and tax purposes, of the consideration provided by the Transaction, where applicable, in respect of the following categories:

   (i) the Real Property; and

   (ii) the Business;

f) include the following details:

   (i) a description of the Real Property and the Business that is expected to be subject to the Transaction(s) and any of the Real Property and the Business expected to be excluded;

   (ii) a statement of the consideration to be provided to AGI;

   (iii) a specific indication of the sources of capital for the Purchase Price and the structure and financing of the Transaction;

   (iv) a description of the conditions and approvals required to complete the closing of the Transaction(s);

(v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(vi) a listing of all employees to be assumed by the Bidder, if any; and

(vii) any other terms and conditions of the Sale Proposal that the Bidder believes are material to the Transaction(s), or as may otherwise be requested by AGI;

g) propose a date for closing the proposed Transaction(s) which is no later than November 17, 2025;

h) identify the Bidder and any principals, shareholders, guarantors and / or beneficial owners of such Bidder (collectively, the "**Principals**") and the representatives of the Bidder who are authorized to appear and act on its behalf for all purposes regarding the Transaction(s) contemplated;

i) include evidence upon which AGI may reasonably conclude that the Bidder has the necessary financial ability to close the contemplated Transaction(s). Such information should include, among other things, the following:

(i) the Bidder's current financial statements (audited, if they exist) or, in the case of a special purpose entity incorporated for the purpose of tendering a Bid in this Sale Process (an "**SPE**"), the SPE's current financial statements (audited, if they exist);

(ii) contact names and numbers for verification of financing sources;

(iii) evidence of the Bidder's, or, if the Bidder is an SPE, the SPE's Principals' internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated Transaction(s); and

(iv) any such other form of financial disclosure or credit-quality support information or enhancement reasonably requested by AGI demonstrating that such Bidder has the ability to close the Transaction(s) contemplated;

(v) provided, however, that AGI shall determine, in its discretion, whether the evidence of such financial wherewithal is reasonably acceptable;

(vi) be accompanied by a deposit in the form of a certified cheque, bank draft or wire transfer of immediately available funds, payable to AGI "in trust", which is equal to at least ten percent (10%) of the total consideration payable in respect of the Transaction(s);

(vii) include an acknowledgement that the Bidder has relied solely on its own independent review and investigation and that it has not relied on any representation by Woodington Estates, 785, Woodington Management or AGI, or their respective agents, employees or advisors;

(viii) not contain any break-up fee, expense reimbursement or similar type of payment; and

(ix) not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the Bidder's or SPE's obligation to complete the Transaction(s).

20. AGI may seek additional information and clarification from Bidders as it deems necessary or appropriate in respect of their offers at any time.

21. AGI may, in its discretion, request revisions or supplementations to any Qualified Bid and/or waive strict compliance with any one or more of the Bid Requirements and deem a non-compliant Bid to be a Qualified Bid. For the avoidance of doubt, if multiple Bids are received, AGI has no obligation to exercise its discretion or authority under this provision in respect of all Bids received even if such authority or discretion is exercised by AGI in respect of any one Bid received.

## Selection of Bids

22. AGI will review all of the Qualified Bids, and may designate a Qualified Bid in respect of the Real Property and the Business as a **"Winning Bid"**, having regard to such factors as the consideration payable in respect of the Qualified Bid, the likelihood of closing, and such other matters as AGI considers relevant. For the avoidance of doubt, AGI shall be free to attempt to negotiate and improve any Qualified Bid, and shall be under no obligation to designate any Qualified Bid as the Winning Bid.

23. All designations of Qualified Bids as the Winning Bid(s) shall be subject to Court approval.

## Court Approval

24. As soon as practicable after determination of the Winning Bid(s), AGI will make a motion to the Court (the "**Approval Motion**") for an approval and vesting order in respect of the Winning Bid(s) and the underlying Transaction agreement(s) (the "**Final APA(s)**").

25. AGI shall serve and file a report with respect to the Sale Process and Winning Bid(s) in advance of the Approval Motion and post same (with appropriate redactions, as determined by AGI in its professional judgement, as to not prejudice any future sale process/efforts to realize on the Real Property and the Business) in connection with the Approval Motion on the Case Website.

## Other Terms

26. All deposits received shall be held by AGI "in trust". All deposits submitted by Bidders who did not submit a Winning Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The deposit forming part of a Winning Bid shall be dealt with in accordance with the Final APA(s).

27. In the event that a deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.

28. All Qualified Bids (other than the Winning Bid(s)) shall be deemed rejected on the earlier of: (a) the date on which the Transaction(s) contemplated by the Final APA(s) is/are completed or (b) November 17, 2025.

29. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions, whether or not such lead to the consumption of a Transaction.

30. Subject to the Sale Process Order, or other order of the Court, AGI shall have the right to adopt such other rules for, or extend any deadlines in the Sale Process that it believes, in its sole discretion, will better promote the goals of the Sale Process, provided that if such modification or amendment materially deviates from this Sale Process, such modification or amendment may only be made with the written consent of AGI, or by order of the Court.

31. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of /the Sale Process Order, the Sale Process and the Sale Process Procedures.

**SCHEDULE "B"**

**SALES OFFICER'S CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that Albert Gelman Inc., the sales officer (the "**Sales Officer**") of the assets, undertakings and properties of Woodington Management Inc. and 1000736785 Ontario Limited, including, without limitation, the business and assets of the Woodington Lake Golf Club including all proceeds thereof (collectively, the "**Business**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2025 (the "**Order**") made in an application having Court file number CV-24-00725570-00CL, has received as such Sales Officer from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Sales Officer is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Sales Officer pursuant to the Order or to any further order of the Court, a charge upon the whole of the real property municipally known as 7110 4th Line, Tottenham, Ontario and and the Business, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Sales Officer to indemnify itself out of such property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Sales

Officer to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Sales Officer to deal with the Business as authorized by the Order and as authorized by any further or other order of the Court.

7. The Sales Officer does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2025.

Albert Gelman Inc., solely in its capacity
as Sales Officer of the Business, and not in its
personal capacity

Per: _____

Name:

Title:

**MELVYN EISEN, TRUSTEE**
*Applicant*

- and -

**WOODINGTON ESTATES INC.**
*Respondent*

Court File No.: CV-24-00725570-00CL

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

Proceeding commenced at Toronto

**(Appointment of Sales Officer, Sale Process and Ancillary Relief)**

**AIRD & BERLIS LLP**
Brookfield Place
181 Bay St. #1800
Toronto, ON M5J 2T9

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Email: shans@airdberlis.com

*Lawyers for the Receiver*

# APPENDIX “C”

*Execution Version*

**ALBERT GELMAN INC., solely in its capacity as the Receiver of Woodington Estates Inc. and as the Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited, and not in its personal or corporate capacities**

- and -

**Purposeful Group Ltd.**

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# AGREEMENT OF PURCHASE AND SALE

**January 14, 2026**

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**SCHEDULES**

# AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of the 14th day of January, 2026.

**BETWEEN:**

**ALBERT GELMAN INC.** ("**AGI**"), solely in its capacity as the Receiver of Woodington Estates Inc. and as the Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited (collectively, the "**Debtors**"), and not in its personal or corporate capacities (in such capacity, the "**Vendor**")

- and -

**PURPOSEFUL GROUP LTD.** (the "**Purchaser**")

**WHEREAS:**

A. Woodington Estates Inc. ("**Woodington Estates**") is the registered and beneficial owner of the Real Property (as defined herein), encompassing an area of approximately 451 acres (as defined herein), improved with two 18 hole golf courses, a clubhouse/banquet hall, maintenance and storage buildings, parking areas, a pump house and other additional support structures (collectively, with all other assets, undertakings and property of Woodington Estates, the "**Woodington Estates Assets**"), on which a golf course business is operated (the "**Woodington Lake Golf Club**").

B. Woodington Lake Golf Club is operated and overseen by Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**"; collectively with Woodington Management, the "**Business Debtors**"; and collectively with both Woodington Estates and Woodington Management, the "**Debtors**").

C. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December 2, 2024 (the "**Receiver Appointment Order**"), AGI was appointed as receiver (in such capacity, the "**Receiver**") over the assets, undertakings and property of Woodington Estates, including the Real Property.

D. Pursuant to an order of the Court made on July 15, 2025 (the "**Sales Officer Appointment Order**"), AGI was appointed as sales officer (in such capacity, the "**Sales Officer**") over the assets, undertakings and property of the Business Debtors (collectively, the "**Business Assets**").

E. AGI, in its capacities as Receiver and Sales Officer is authorized to market and sell the Woodington Estates Assets and the Business Assets, respectively.

F. The Purchaser, subject to Court Approval, has agreed to purchase and acquire, and the Vendor has agreed to sell, transfer and assign to the Purchaser, the Purchased Assets (as defined herein), on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

In this Agreement:

"**Affiliate**" means with respect to any Person, (i) any other Person that directly, or through one or more intermediaries, Controls or is Controlled by or is under common Control with such Person; (ii) any other Person that is an officer, director, partner, member, principal, manager or trustee of or serves in a similar capacity with respect to such Person, or (iii) any other Person in which such Person, directly or indirectly, is a partner, principal, shareholder, member, beneficiary or otherwise an owner. For purposes hereof, the term "**Control**" of Person shall mean the power, directly or indirectly, to direct or cause the direction of management and policies of such Person, whether through ownership of voting securities, by contract or otherwise and the term "**Controlled**" has a correlative meaning;

"**Agreement**" means this agreement of purchase and sale and any schedules and exhibits attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;

"**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives or requirements issued by Governmental Authorities; and (iv) the terms and conditions of all Permits, in each case which are applicable to such Person, asset, transaction, event or circumstance;

"**Approval and Vesting Order**" means an order of the Court, in a form and substance satisfactory to the Purchaser and the Vendor: (a) approving the Transaction in accordance with the provisions of this Agreement; (b) vesting the Purchased Assets to the Purchaser free and clear of all Claims and Encumbrances (other than Permitted Encumbrances) and interests; and (c) transferring the Turfcare Agreements to the Purchaser free and clear of all Claims and Encumbrances subject to the interests of Turfcare or its successors in the Turfcare Agreements;

"**Assignment and Assumption of Contracts**" means the assignment by the Vendor and assumption by the Purchaser of the Assumed Contracts (other than any Assumed Contracts that are the subject of any specific assignment and assumption agreement on Closing), to be delivered by each of them on Closing;

"**Assignment and Assumption of Other Property**" means the assignment by the Vendor and assumption by the Purchaser of the Other Property, to be delivered by each of them on Closing;

**"Assumed Contracts"** means, any Contract, Lease, agreement, commitment, understanding or arrangement in which the Purchaser has elected to assume on Closing, excluding the Turfcare Agreements (which for greater certainty are Purchased Assets);

"**Assumed Liabilities**" means: (i) all Liabilities arising and accruing in respect of the Purchased Assets from the period after Closing and not related to any default existing at, prior to or as a consequence of Closing; (ii) all Liabilities arising from or in connection with the Assumed Contracts arising and accruing in respect of the period after Closing and not related to any default existing at, prior to or as a consequence of Closing; (iii) the amount of the Liabilities under the Turfcare Agreements (which is estimated to be approximately [redacted]); and (iv) any other Liabilities which the Purchaser agrees in writing to assume on or before the Closing Date;

"**AVO Certificate**" means the certificate signed by AGI substantially in the form to be attached as Schedule A to the Approval and Vesting Order confirming that: (i) the Purchaser has paid, and the Vendor has received payment of, the Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets, and (ii) the conditions to be complied with at or prior to the Closing as set out in Article 9, have been satisfied or waived by the Vendor or the Purchaser;

"**Books and Records**" means the books, records, files and papers in the possession or control of the Vendor relating in any way to the Business or Purchased Assets;

"**Business**" means the golf course business previously operated by the Business Debtors;

"**Business Assets**" has the meaning set out in the Recitals;

"**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Toronto in the Province of Ontario;

"**Business Debtors**" has the meaning set out in the Recitals;

"**Business Debtors' Priority Payables**" means: (a) any Liabilities of the Business Debtors that rank in priority to the Claims of the Business Debtors' secured creditors; and (b) any amounts owing on account of the Business Debtors' obligations pursuant to the Court-ordered charges granted by the Receivership Appointment Order or the Sales Officer Appointment Order.

"**Chattels**" means any moveable property, fixtures, improvements, inventory, supplies and other chattels used in the management, maintenance, repair, or operation of the Business.

"**Claims**" means any and all past, present and future claims, charges, suits, proceedings, liabilities, deficiencies, demands, controversies, actions, causes of action, obligations, losses, damages, penalties, orders, judgments, costs, expenses, fines, amounts paid in

settlement, disbursements, legal fees on a substantial indemnity basis, and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever, including, without limitation, any labour grievances, pay equity claims, and successor employer claims;

"**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;

"**Closing Date**" means the earlier of: (a) thirty (30) days following the date of the Approval and Vesting Order; or (b) a date as the Parties may agree upon in writing, but in any event no later than the Outside Date;

"**Contracts**" means all the contracts, licences, Leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which one or more of the Debtors is a party and any amendments thereto;

"**Court**" has the meaning set out in the Recitals;

"**Court Approval**" means the issuance of the Approval and Vesting Order by the Court approving the sale of the Purchased Assets;

"**Cure Costs**" means the amounts, if any, to be paid to: (i) cure any monetary defaults under any of the Assumed Contracts as a condition to assigning and assuming any of the Assumed Contracts; (ii) obtain any third party consents required to effect and implement an assignment of the applicable Assumed Contracts to the Purchaser; and (iii) otherwise effect an assignment to the Purchaser of any Assumed Contracts;

"**Debtors**" has the meaning set out in the Recitals;

"**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);

"**Effective Time**" means 9:00 a.m. (Toronto time) on the Closing Date;

"**Encumbrances**" means all mortgages, pledges, charges, liens, executions, levies, charges, financial or other monetary claims, debentures, trust deeds, claims, trusts or deemed trusts (whether contractual, statutory or otherwise), assignments by way of security or otherwise, security interests (whether contractual, statutory or otherwise), conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging, or creating a security interest in, or against title to, the Purchased Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, registered instruments, options, easements, servitudes, rights of way, restrictions, executions or other liens, charges or encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein, in each case whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

"**Environmental Law**" means any and all applicable federal, provincial, municipal or local laws, by-laws, statutes, regulations, orders, judgments, decrees, ordinances and directives relating to or otherwise imposing liability of standards of conduct in respect of any Hazardous Materials or otherwise relating to the protection or preservation of the environment;

"**Equipment**" is the equipment (in the nature of chattels, including appliances), the Chattels and the furniture, in each case, owned by any one of the Debtors and which is situated in, on or around the Real Property and used exclusively in the maintenance, repair or operation of the Real Property, excluding the Equipment subject to the Turfcare Agreements;

"**Excluded Assets**" has the meaning set forth in Section 2.3;

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory, enforcement or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or this Transaction;

"**GST**" means the goods and services tax payable pursuant to the *Excise Tax Act* (Canada);

"**Hazardous Materials**" means any pollutants, contaminants, chemical, dangerous, deleterious, noxious, hazardous, corrosive or toxic substances, asbestos containing materials, flammable or explosive substance, halon, radon or other radioactive materials, polychlorinated biphenyl, ureaformaldehyde foam insulation, or any other materials, substances, wastes or phenomenon which are now or hereafter prohibited, controlled, or regulated under Environmental Laws;

"**HST**" means the goods and services tax and/or harmonized sales tax payable pursuant to the *Excise Tax Act* (Canada);

"**Information Technology**" means, collectively, any and all software, computer and computer-related hardware, computer systems, servers, network equipment, firmware, middleware, embedded applications, workstations, routers, hubs, databases, data communication lines, all other information technology equipment and all associated documentation, help files, comments and logs (including debugging logs) owned by the Debtors which are used in connection with the ownership and/or operation of the business of the Debtors at the Business;

"**Intellectual Property**" means any and all patents, copyrights, trademarks, trade secrets, knowhow, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, protocols, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, reports, catalogs, literature, and any other forms of technology or proprietary information of any kind, including all rights therein and all

applications for registration or registrations thereof that are owned by the Debtors in relation to the Business;

"**Leases**" means all offers to lease, leases, licenses, occupancy agreements or agreements to lease and other instruments and agreements by which (i) any person occupies, or has the right to occupy any portion of the Real Property; or (ii) any of the Debtors are bound to possess or occupy any portion of the Real Property, together with any and all amendments, assignment, extensions, modifications and restatements thereto, and "**Lease**" means any one of them;

"**Liabilities**" means any and all debts, liabilities, commitments and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim or order of a Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking;

"**Notice**" means any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement;

"**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with or issued by any Governmental Authority (whether temporary, preliminary, or permanent);

"**Other Property**" means, collectively, all trademarks, domain names, Information Technology, and other Intellectual Property, if any, which are used in connection with the ownership and/or operation of the Business, including for certainty any web sites and the contents thereof, and including all of the existing trademarks, trade names, logos, commercial symbols, business names or other Intellectual Property rights exclusively identifying the Business;

"**Outside Adjustment Date**" has the meaning set forth in Section 3.4;

"**Outside Date**" means March 13, 2026 or such other date as the Parties may agree;

"**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;

"**Permits**" means (i) all permits, consents, orders, waivers, applications, authorizations, licences, certificates, approvals, variances, registrations, franchises, rights, privileges and exemptions or the like issued or granted by any Governmental Authority, or by any third party with respect to the Business or the Real Property; and (ii) any contracts or other agreements that must be entered into with any Governmental Authority in connection with the Business or the Real Property;

"**Permitted Encumbrances**" means those Encumbrances set forth on Schedule D, if any, or as agreed to by the Purchaser, in its sole discretion;

"**Person**" includes any individual, corporation, limited liability company, unlimited liability company, body corporate, partnership, limited partnership, limited liability partnership, firm, joint venture, syndicate, association, capital venture fund, trust, trustee, executor, administrator, legal personal representative, estate, government, Governmental Authority and any other form of entity or organization, whether or not having legal status;

"**Personal Information**" means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization;

"**Purchase Price**" has the meaning ascribed to that term in Section 3.1;

"**Purchased Assets**" means the assets, property and rights of the Debtors including the Woodington Estates Assets, the Business Assets and the Turfcare Agreements, which includes, without limitation, the assets, property and rights set out on Schedule B, but excluding the Excluded Assets;

"**Purchaser**" has the meaning ascribed to that term in the Recitals;

"**Purchaser's Solicitors**" means Osler, Hoskin & Harcourt LLP;

"**Real Property**" means the real property municipally known as 7110 4th Line, Tottenham, Ontario L0G 1W0, and legally described in PIN: 58170-0498 LT, as more particularly described in Schedule A attached hereto, together with all buildings, improvements and structures thereon, and the fixtures (other than trade fixtures) affixed thereto;

"**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;

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

"**Tenants**" means Persons having a right to possess or occupy any space in or on the Real Property, now or hereafter, pursuant to a Lease;

"**Third Party**" means any Person who is not a Party or an Affiliate of a Party;

"**Third Party Consent**" has the meaning ascribed to that term in Section 3.8;

"**Transaction**" means the transaction for the purchase and sale of the Purchased Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;

"**Transaction Personal Information**" means any Personal Information in the possession, custody or control of the Vendor or the Debtor, including Personal Information of suppliers of the Debtors, that is:

(i) disclosed to the Purchaser or its Representatives before the Effective Time by the Vendor or the Debtors, their Representatives, or otherwise; or

(ii) collected by the Purchaser or its Representatives before the Effective Time from the Vendor or the Debtors, their Representatives, or otherwise;

in each case in connection with the Transaction;

"**Turfcare Agreements**" means any Contracts pursuant to which Care Lending Group Inc. o/a Turfcare Financial or its Affiliates (collectively, "**Turfcare**") is or was a party, as such Contracts have been or will be acquired by Goldy Metals Holdings Inc., or a related party or an Affiliate thereof;

"**Vendor**" has the meaning ascribed to that term in the Recitals;

"**Vendor's Solicitors**" means the law firm of Aird & Berlis LLP; and

"**Warranties**" means, collectively, all warranties and guarantees, if any, remaining in existence, in connection with the construction, renovation or operation of the building or other improvements on the Real Property, or in connection with the Chattels.

**1.2 Interpretation**

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

(a) All references to monetary amounts are to the lawful currency of Canada.

(b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

(c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".

(d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.

(e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

(f) Reference to any Article, Section, Schedule or Exhibit means an Article, Section, Schedule, or Exhibit of this Agreement unless otherwise specified.

(g) If any provision of a Schedule or Exhibit hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

(h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.

(i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

(j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.

(k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto and any regulations promulgated thereunder.

### 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

| | |
|---|---|
| Schedule A | Legal Description of Real Property |
| Schedule B | Purchased Assets |
| Schedule C | Excluded Assets |
| Schedule D | Permitted Encumbrances |

### 1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

## ARTICLE 2
## PURCHASE AND SALE

### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, on the Closing Date, effective as of the Closing, the Purchased Assets free and clear of all Claims and Encumbrances other than the Permitted Encumbrances.

### 2.2 Assumption of Obligations

Provided that Closing occurs and subject to the terms and conditions of this Agreement, the Purchaser shall assume, fulfill, perform and be responsible for all the Assumed Liabilities.

### 2.3 Excluded Assets

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor and the Debtors, as applicable, shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor or entitlement thereto. "**Excluded Assets**" shall mean the properties, rights, assets and undertakings of the Debtors listed in Schedule "C".

Following Closing, the Purchaser shall promptly notify the Vendor of any Excluded Assets (including, without limitation, any cash or accounts receivable) which may come into the possession or control of the Purchaser, and thereupon shall promptly release or pay such Excluded Assets to the Vendor and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.

## ARTICLE 3
## PURCHASE PRICE

### 3.1 Purchase Price

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets, excluding all applicable Taxes, shall be the sum of: (a) the assumption of the Assumed Liabilities by the Purchasers; and (b) the cash amount of [redacted] (such sum being hereinafter referred to as the "**Purchase Price**"), and shall be subject to any customary adjustments on account of the sale of the Real Property as described herein.

The Purchase Price shall be satisfied in accordance with Section 3.3(b). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Purchased Assets as of the Closing Date.

### 3.2 Allocation of Purchase Price

The Purchaser's allocation of the Purchase Price is: (a) the amount of [redacted], which shall be allocated to the Woodington Estates Assets; (b) the amount of [redacted] plus the assumption of the Assumed Liabilities, which, together, shall be allocated to the Business Assets (collectively the "**Allocation**").

The Allocation may be specified by the Purchaser in greater detail within each of these categories prior to the Closing Date; however, the Purchaser shall not amend the Allocation as among the amount paid for the Woodington Estates Assets and the Business Assets, provided that, notwithstanding the Allocation, the distribution of any proceeds from the Purchased Assets

remains subject to further order of the Court. This Section 3.2 shall survive the closing of the Transaction.

**3.3 Deposit and Satisfaction of Purchase Price**

(a) The Parties acknowledge that:

(i) on or around October 10, 2025, the Purchaser paid the sum of [redacted] (the "**Deposit**") to the Vendor in connection with its original bid; and

(ii) the Deposit is sufficient for the purposes of compliance with the Sales Officer Appointment Order;

(iii) the Deposit shall be held and applied by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).

(b) At Closing, the Purchase Price shall be paid and satisfied as follows:

(i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price;

(ii) by the assumption of the Assumed Liabilities; and

(iii) as to the balance of the cash component of the Purchase Price, along with any adjustments and additional amounts owing in respect of applicable HST properly payable by the Purchaser on the Purchased Assets other than the Real Property, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.

(c) If this Agreement is terminated:

(i) (A) pursuant to Section 11.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 11.1(b) or 11.1(c) by the Purchaser; (C) pursuant to Section 11.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser, without deduction; or

(ii) pursuant to Section 11.1(d) by the Vendor, the full amount of the Deposit, shall be forfeited to the Vendor,

and, subject to Section 11.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre estimate of liquidated damages representing the Vendor's Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any

claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre estimate of the Vendor's damages.

### 3.4 Adjustments

There shall be adjustments on Closing for all items of income and expense relating to the Purchased Assets and which are usual in transactions of this nature. The Vendor shall be responsible for all expenses and entitled to all revenue accrued from the Purchased Assets ending on the day preceding the Closing Date and thereafter the Purchaser shall be responsible for all expenses and shall be entitled to all revenue accruing from the Purchased Assets.

A draft statement of adjustments (the "**Statement of Adjustments**") shall be delivered to the Purchaser by the Vendor not less than five (5) Business Days prior to the Closing Date, together with the details of the calculations used by the Vendor to arrive at all debits and credits on the Statement of Adjustments calculated up to the Closing Date. The Vendor shall give the Purchaser and its representatives reasonable access during normal business hours to, if available, the Vendor's working papers and supporting documentation in order to confirm the Statement of Adjustments.

If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably, as at the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Save as otherwise provided for in this Agreement, a final adjustment of any estimated amount or any error or omission in the Closing statement of adjustments shall be made no later than thirty (30) days after the Closing Date (the "**Outside Adjustment Date**"). Save as may otherwise be permitted pursuant to this Agreement, no re-adjustment may be claimed by any party following the Outside Adjustment Date. If the parties cannot agree on the final adjustment, any unresolved matter shall be submitted to an independent national firm of chartered professional accountants mutually agreed to by the parties (the "**Independent Accountant**"), and the Independent Accountant shall be given access to all materials and information reasonably requested by it for such purpose. The rules and procedures to be followed in the arbitration proceedings shall be determined by the Independent Accountant in its discretion. The Independent Accountant's determination of all such matters shall be final and binding on both parties and shall not be subject to appeal by either party. The fees and expenses of the Independent Accountant payable by the parties shall be determined by the Independent Accountant, at its discretion.

### 3.5 Utilities

The Vendor shall use reasonable efforts to obtain utility meter readings for the Real Property (but not, for greater certainty, for utilities that are billed to Tenants directly for which Tenants are directly responsible to utility providers) on the day before the Closing Date, and if such readings are obtained, there shall be no adjustment of such items. The Vendor shall pay the utility bills for the period to the day preceding the Closing Date (or such amount shall be adjusted for on Closing), and the Purchaser shall pay the utility bills for the period subsequent thereto. If a utility company will not issue separate bills, the Purchaser will receive a credit against the Purchase Price for Vendor's portion and will pay the entire bill prior to delinquency after the Closing Date.

If the Vendor has paid any utilities in advance, then the Vendor shall be entitled to adjust on Closing for any prepaid amount as of the Closing Date (if known) or the Purchaser shall be charged its portion of such payment as of the Closing Date.

### 3.6 Property Taxes

All property taxes imposed on or with respect to the Purchased Assets for the tax year that includes the Closing Date will be prorated between the Vendor and the Purchaser as of the Closing Date. The Vendor will be liable for the portion of such taxes based on the number of days in the year occurring prior to the Closing Date, and the Purchaser will be liable for the portion of such taxes based on the number of days in the year occurring on and after the Closing Date. This includes all municipal realty taxes, assessments, levies and penalties of any nature or kind, and interest and costs thereon, including all levies and special charges set forth in the respective tax bills of any government taxation authority.

The Purchaser shall, at its option, be entitled to continue any realty tax appeals, complaints, applications, or proceedings pending for any calendar year prior to the calendar year in which the Closing Date occurs and shall be entitled to receive from the municipality any payment resulting therefrom. To the extent the Vendor receives any of the aforementioned payments, it shall hold said payments in trust for the Purchaser and forthwith remit the payments to the Purchaser.

### 3.7 Sales Tax, Land Transfer Tax and Registration Fees on Transfer

The Parties agree that:

(a) HST is applicable in addition to the Purchase Price, and the Purchaser shall pay or cause the payment of all applicable HST on that portion of the Purchase Price allocated pursuant to this Agreement to assets subject to HST, directly to the Canada Revenue Agency, as and when the same are payable, unless the Debtors are registered for HST and the Vendor provides a valid HST registration number for the Debtors to the Purchaser prior to Closing (in which case such HST shall be paid to such Debtor subject to section 3.7(b) below);

(b) in respect of HST as it relates to the Real Property, the Purchaser certifies it, or any person or entity acquiring beneficial ownership of the Real Property on behalf of the Purchaser, is and will be registered under Subdivision D of Division V of Part IX of the ETA on Closing, and on Closing the Purchaser or any person or entity acquiring beneficial ownership of the Real Property on behalf of the Purchaser shall deliver a certificate (the "**Purchaser's HST Certificate**"), in the customary form, to the Vendor confirming that the Purchaser or any person or entity acquiring beneficial ownership of the Real Property on behalf of the Purchaser on Closing is registered for HST, setting out its HST number, and that it will self-assess and remit the HST applicable on the Real Property to the applicable governmental authorities and indemnify and save harmless the Vendor and its shareholders, directors, officers, employees and agents from all claims, actions, causes of action, proceedings, losses, damages, costs, liabilities and expenses incurred, suffered or sustained as a result of:

(i) its failure to pay, or the Vendor's failure to collect or remit any HST payable in connection with the conveyance or transfer to the Purchaser of the Real Property, whether arising from a reassessment or otherwise;

(ii) its failure to file any HST returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with the Canada Revenue Agency in connection with the conveyance or transfer to the Purchaser of the Real Property; or

(iii) any inaccuracy, misstatement or misrepresentation made by the Purchaser in the Purchaser's HST certificate; and

(c) in the event the Purchaser is not registered under Subdivision D of Division V of Part IX of the ETA for HST purposes and, as a result thereof, the Vendor is required to collect and remit HST, the Purchaser shall deliver to the Vendor on Closing by wire transfer in the amount of HST payable with respect to the Real Property, if any, in the transaction herein contemplated.

(d) the Purchaser is liable for and shall pay all land transfer tax and other similar taxes and duties, fees in respect of the registration of the transfer, and other like charges properly payable by a Purchaser upon and in connection with the sale, assignment and transfer of the Purchased Assets from the Vendor to the Purchaser.

The terms of this Section 3.7 shall survive Closing.

**3.8 Assumed Contracts**

(a) No later than five (5) Business Days prior to the hearing for the Approval and Vesting Order, the Purchaser shall advise the Vendor in writing which of the Contracts that the Purchaser wishes to assume on Closing, if any. If the Purchaser fails to give such notice to the Vendor within such time period, the Purchaser shall be deemed to have elected not to assume any of the Contracts on Closing, except for the Turfcare Agreements (which for greater certainty are Purchased Assets).

(b) In connection with any Assumed Contract that requires the consent or approval of a Third Party in order to assign or transfer such Assumed Contract to the Purchaser, the Vendor shall use commercially reasonable efforts to obtain the consent of the Third Party in accordance with the provisions of such Assumed Contract (each such consent being a "**Third Party Consent**") at least five (5) Business Days prior to obtaining the Approval and Vesting Order.

(c) For the avoidance of doubt, the Vendor shall not be required to expend any funds to obtain a Third Party Consent. If the Vendor has not obtained a Third Party Consent in respect of an Assumed Contract, (i) the Purchaser shall be entitled, at its option, to seek such consent from the applicable Third Party; and (ii) the Vendor will seek the approval of the Court to the assignment/transfer of such Assumed Contract without consent of the Third Party in the Approval and Vesting Order. If any Third Party Consent is not obtained and the Court does not approve the

assignment/transfer of the Assumed Contract to which such Third Party Consent relates as part of the Approval and Vesting Order, then this Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of such Assumed Contract, which shall cease to constitute Purchased Assets without any corresponding reduction to the Purchase Price, provided that notwithstanding such Assumed Contract ceasing to constitute Purchased Assets and to the extent permitted by Applicable Laws:

(i) the Vendor will, at the request, direction, and sole cost of the Purchaser, acting reasonably, assist the Purchaser in a timely manner and on a commercially reasonable best-efforts basis (with any costs relating to obtaining such consent to be for the Purchaser's account), in applying for and obtaining all Third Party Consents in a form satisfactory to the Vendor and the Purchaser, acting reasonably, and take such actions and do such things as may be reasonably and lawfully designed to attempt to provide the benefits of such non-assignable Assumed Contract to the Purchaser, including holding same in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment; and

(ii) in the event that the Vendor receives funds after Closing pursuant to such non-assignable Assumed Contract, the Vendor will promptly pay over to the Purchaser all such funds collected by the Vendor, net of any outstanding costs provided in subsection (c) above or payable or potentially payable with respect to such non-assignable Assumed Contract.

(d) To the extent that any Cure Costs are required to be paid to obtain the assignment of any Assumed Contract, the payment of such Cure Costs by the Purchaser shall be a condition to the assignment of such Assumed Contract and be paid from the Purchase Price up to the maximum amount of $100,000.

The terms of this Section 3.8 shall survive Closing.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES

### 4.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

(a) the Vendor has the necessary authority and capacity to enter into this Agreement and all other documents contemplated herein to which it is or will be a party;

(b) the Vendor represents and warrants that the statements and matters set forth in the recitals to this Agreement are true, accurate, and complete in all material respects as of the date of this Agreement;

(c) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor, and constitutes a legal, valid and binding obligation of the Vendor (solely in its capacity as Trustee in Bankruptcy of the Debtor);

(d) Each of the Debtors is a registrant under Part IX of the *Excise Tax Act* and shall provide their respective HST registration number to the Purchaser prior to Closing; and

(e) the Debtors and the Vendor are each not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

**4.2 Purchaser's Representations**

The Purchaser hereby represents and warrants to the Vendor that:

(a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

(b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;

(c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;

(d) no approval or consent of any Governmental Authority is required by the Purchaser in connection with the execution, delivery and performance of this Agreement and the completion of this Transaction;

(e) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

(f) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;

(g) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and

(h) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), any land transfer taxes, applicable GST/HST, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto.

**4.3 Enforcement of Representations and Warranties**

(a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 4 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.

(b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor or the Debtors, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

**4.4 Limitations**

With the exception of the Vendor's representations and warranties in Section 4.1 and the Purchaser's representations and warranties in Section 4.2, neither Party nor its Representatives, nor any of its officers, directors, employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Debtors, the Purchaser, the Purchased Assets or the sale or purchase of the Purchased Assets pursuant to this Agreement unless otherwise noted herein.

## ARTICLE 5
## "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES

**5.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that, subject to Section 5.3:

(a) it is solely responsible to perform any inspections it deems pertinent to the purchase of the Purchased Assets and to be satisfied as to the condition of the Purchased Assets;

(b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings

or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof, except as set forth herein;

(c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Purchased Assets that:

(i) the Purchaser has inspected the Purchased Assets and is satisfied with the physical condition thereof and has conducted such investigation of the Purchased Assets as the Purchaser has determined appropriate;

(ii) other than as noted in this Agreement, none of the Vendor, the Debtor or their respective Representatives or Affiliates have made, any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Purchased Assets and/or the offering or sale of the Purchased Assets;

(iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Purchased Assets made by the Vendor, the Debtors or their respective Representatives, except as set forth herein;

(iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Purchased Assets and the facts and circumstances related thereto, except as set forth herein;

(v) any information provided or to be provided by or on behalf of the Vendor with respect to the Purchased Assets was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information; and

(vi) none of the Vendor, the Debtors or their respective Representatives or Affiliates are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Purchased Assets, or the operation thereof, made or furnished by any broker, agent, employee, or other Person.

**5.2 "As Is, Where Is", No Additional Representations**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" and "without recourse" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself

with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the environmental state of the Real Property, the existence, presence, nature, kind, state or identity of any Hazardous Materials on, at, in, under, or about the Real Property, the existence, state, nature, kind, identity, extent and effect of any Permits, administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, at, in, under or about the Real Property or elsewhere. The description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor with respect to the Purchased Assets or otherwise relating to the Transaction has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall be under no obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's sole responsibility to take possession of the Purchased Assets. The Purchaser acknowledges that the Vendor may leave any unwanted inventory at the Real Property on Closing at no cost to the Vendor.

(a) For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtors, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

(i) the title and interest of the Vendor or the Debtors in and to the Purchased Assets;

(ii) the income to be derived from the Purchased Assets, if any;

(iii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Purchased Assets;

(iv) the suitability of the Purchased Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;

(v) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;

(vi) any Permits that may be needed to complete the purchase of the Purchased Assets contemplated by this Agreement;

(vii) the manner or quality of the construction or materials, if any, incorporated into the Purchased Assets;

(viii) the manner, quality, state of repair or lack of repair of the Purchased Assets;

(ix) the nature and quantum of the Assumed Liabilities; or

(x) any other matter with respect to the Purchased Assets.

(b) The Purchaser acknowledges that the release and disclaimer described in this Article 5 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.

(c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtors, their respective Affiliates and their respective Representatives in respect of the Purchased Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the Applicable Law, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

### 5.3 Encroachments

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Real Property, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting any of the Real Property, and accepts that title shall be conveyed subject to the Permitted Encumbrances.

## ARTICLE 6
## RISK AND COSTS AND INSURANCE

### 6.1 Risk and Costs

(a) The Purchased Assets will be at the sole risk and responsibility of the Vendor and the Debtors until the Effective Time and thereafter will be at the sole risk and

responsibility of the Purchaser. If, prior to the Closing, the Purchased Assets are materially damaged or destroyed such that repair or replacement costs will exceed $1,000,000, or shall be appropriated, expropriated or seized by a Governmental Authority then, at its option, the Purchaser may decline to complete the Transaction. Such option will be exercised within 10 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction, appropriation, expropriation or seizure (or prior to the Closing Date if such occurrence takes place less than 10 days before the Closing Date) in which event this Agreement will be terminated automatically and the Deposit shall be returned to the Purchaser without deduction. If the Purchaser does not exercise such option, it will complete the Transaction contemplated herein and will be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction.

**6.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtors in relation to the Purchased Assets shall not be transferred at Closing but shall remain the responsibility of the Vendor and the Debtors until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## ARTICLE 7
## INDEMNIFICATION

**7.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall, subject to the terms herein:

(a) be liable to the Vendor, the Debtors, their respective Affiliates and their respective Representatives for; and

(b) as a separate covenant, indemnify and save harmless the Vendor, the Debtors, their respective Affiliates and their respective Representatives from and against;

all Liabilities imposed on, incurred by or asserted against the Vendor, the Debtors, their respective Affiliates and/or their respective Representatives solely and directly related to the Purchased Assets and the Assumed Liabilities, whether arising or accruing on or after the Closing Date, including: (i) all Liabilities attributable to the ownership, operation, use or maintenance of the Purchased Assets during the period following the Closing Date; (ii) all Liabilities arising or accruing on or after the Closing Date under any Assumed Contract; and (iii) any other Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtors pursuant to this Agreement. The Purchaser's indemnity obligations set forth in this Section 7.1 shall survive the Closing Date indefinitely pursuant to Section 12.6.

### 7.2 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

## ARTICLE 8
## PRE-CLOSING MATTERS, CONDITIONS AND COVENANTS

### 8.1 Conduct of Vendor Until Closing

(a) Except: (a) as expressly provided in this Agreement; (b) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); or (c) as otherwise provided in the Approval and Vesting Order or any other order of the Court; following the date hereof and prior to Closing, to the extent reasonably practicable, the Vendor shall:

(i) cause the Purchased Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws (including for greater certainty, all Environmental Laws), the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;

(ii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Purchased Assets, except in the ordinary course of normal day-to-day operations of the Purchased Assets;

(iii) not enter into any Contract relating to the Business that is not cancellable upon written notice or less without penalty or payment and is not entered into in the ordinary course of the Business;

(iv) not incur any indebtedness or other obligations that are secured on the Purchased Assets or any part thereof, other than as prescribed by the Receiver Appointment Order and the Sales Officer Appointment Order;

(v) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.

(b) Until the Closing Date, the Vendor shall provide the Purchaser with access to the Purchased Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Purchased Assets to the Purchaser following Closing in accordance herewith.

(c) The access to the Purchased Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 8.1 will be subject to any applicable Assumed Contracts and all of the Vendor's and the Debtors' site entry protocols, health, safety and environmental rules, policies and procedures. Further, the

Purchaser acknowledges and agrees that it shall indemnify and save harmless the Vendor and its Representatives harmless from any and all Claims arising from such inspections, tests and investigations pursuant to this Section 8.1 (save and except for any Claims resulting from the mere discovery of conditions already existing at the time of such access, testing or inspections).

**8.2 Covenant of the Vendor**

The Vendor shall use the cash held by the Business Debtors to pay the Business Debtors' Priority Payables as soon as practicable, subject to further Order of the Court.

**8.3 Privacy Laws**

(a) Each Party shall, and shall ensure that its Representatives shall, comply with Applicable Law in the course of their collection, use and disclosure of Transaction Personal Information pursuant to this Agreement.

(b) Each Party agrees that the collection, use and disclosure of Transaction Personal Information is necessary for the purposes of determining if the Parties will proceed with the Transaction and completing the Transaction.

(c) The Purchaser shall, and shall ensure that its Representatives shall, not use Transaction Personal Information for any purposes other than those related to evaluation of the Transaction and/or the completion of the Transaction.

(d) If the Transaction proceeds, neither the Purchaser nor any of its Representatives shall, after Closing, without the consent of the individuals to whom such Personal Information relates, or as otherwise permitted or required by Applicable Law, use or disclose Transaction Personal Information for purposes other than those for which such Transaction Personal Information was originally collected prior to Closing.

(e) In the event of the successful completion of the Transaction, the Purchaser, if and only to the extent required by Applicable Law that governs the Personal Information of individuals whose Personal Information has become Transaction Personal Information, shall notify such individuals that a business transaction has taken place and that their Personal Information was disclosed by the Vendor to the Purchaser for the purposes of this Agreement.

(f) If this Agreement is terminated as provided herein, the Purchaser shall promptly deliver to the Vendor all Transaction Personal Information in its possession or in the possession of its Representatives, including all copies, reproductions, summaries or extracts thereof or the Purchaser shall promptly proceed with arranging the destruction of the same.

(g) The Purchaser shall use all reasonable efforts to protect and safeguard the Transaction Personal Information including to protect the Transaction Personal Information from loss or theft, or unauthorized access disclosure, copying, use,

modification, disposal or destruction and promptly advise the Vendor should any such loss, theft or unauthorized activity occur prior to the completion of the Transaction.

## ARTICLE 9
## CONDITIONS

### 9.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Purchased Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) the Court shall have granted the Approval and Vesting Order;

(b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Purchased Assets; and

(c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

### 9.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) all representations and warranties of the Vendor contained in Section 4.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;

(b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;

(c) on Closing title to the Real Property shall be free of all Encumbrances other than the Permitted Encumbrances;

(d) on Closing, no legal or regulatory action or proceeding shall have been commenced by any third party, including any Governmental Authority, nor any injunction awarded and continuing in force, to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby; and

(e) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 10.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

**9.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) all representations and warranties of the Purchaser contained in Section 4.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;

(b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;

(c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 10.3; and

(d) the Vendor has not lost its ability to convey the Purchased Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

**9.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 9.1, 9.2 and 9.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## ARTICLE 10
## CLOSING

**10.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

**10.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser or the Purchaser's Solicitors on or before the Closing Date:

(a) a direction regarding funds directing the party to which the balance of the Purchase Price shall be paid;

(b) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

(c) an executed AVO Certificate, which shall be filed by the Vendor with the Court;

(d) subject to Section 3.8(c)(i), the Assignment and Assumption of Contracts (to the extent such Assumed Contracts are assignable), and to the extent not assignable, an agreement by the Vendor to hold same in trust for the Purchaser in accordance with Section 3.8(c)(i);

(e) the Assignment and Assumption of Other Property;

(f) an assignment of the Warranties, if any;

(g) all documents listed in Section 9.3 which contemplate execution by the Vendor;

(h) a bring down certificate of an officer of the Vendor on behalf of the Vendor (and not in their personal capacity and without personal liability) setting out that its representations and warranties contained in this Agreement are true and accurate in all material respects as at the Closing Date, with the same effect as though made on the Closing Date;

(i) a certificate of the Vendor confirming it is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);

(j) the DRA (as defined herein);

(k) an application for vesting in Teraview in accordance with the Purchaser's direction regarding title;

(l) a general conveyance/bill of sale in relation to the Equipment and any documents in the possession of the Vendor evidencing ownership of such Equipment;

(m) the Statement of Adjustments, in a form and substance satisfactory to the Purchaser, acting reasonably, which shall be delivered to the Purchaser at least five (5) Business Days prior to the Closing Date;

(n) an undertaking to readjust the Statement of Adjustments;

(o) vacant possession of the Real Property, subject only to the Permitted Encumbrances and the Leases;

(p) any necessary deeds, conveyances, transfers and assignments and any other instruments necessary or reasonably required to transfer (or record the transfer of) the Purchased Assets to the Purchaser with good (and in the case of the Real Property, marketable) title, free and clear other than Permitted Encumbrances;

(q) all master keys and duplicate keys to any building located on the Real Property that are in the possession and control of the Vendor;

(r) the Third Party Consents to the extent obtained in accordance with the terms herein; and

(s) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably. The Purchaser shall be responsible for preparing any and all conveyance materials not otherwise specifically set out in this Section 10.2.

**10.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor or the Vendor's Solicitor on or before the Closing Date:

(a) the balance of the Purchase Price as contemplated by Section 3.3(b)(ii) by wire transfer in immediately available funds, together with all other amounts required to be paid by the Purchaser to the Vendor hereunder at Closing, if any;

(b) an undertaking to readjust the Statement of Adjustments;

(c) subject to Section 3.8(c)(i), the Assignment and Assumption of Contracts (to the extent such Assumed Contracts are assignable), and to the extent not assignable, an agreement by the Vendor to hold same in trust for the Purchaser in accordance with Section 3.8(c)(i);

(d) the Assignment and Assumption of Other Property;

(e) an assignment of the Warranties, if any;

(f) a direction regarding title;

(g) an application for vesting in Teraview in accordance with the Purchaser's direction regarding title;

(h) the DRA (as defined herein);

(i) a bring down certificate of an officer of the Purchaser on behalf of the Purchaser (and not in their personal capacity and without personal liability) setting out that its representations and warranties contained in this Agreement are true and accurate in

all material respects as at the Closing Date, with the same effect as though made on the Closing Date;

(j) the Purchaser's HST Certificate referred to in Section 3.7(b); and

(k) any necessary deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

**10.4 Closing Costs**

The Vendor and the Purchaser shall each be responsible for the costs of their respective solicitors. The Purchaser shall be responsible for and pay all land transfer taxes payable on the assignment of the Real Property to the Purchaser and the registration fees payable in connection with the registration of the conveyance of the Real Property.

**10.5 Closing Matters**

Except as may otherwise be agreed to by the parties or their respective solicitors, all documents, monies, and other items (except items to be delivered at the Real Property) shall be delivered on the Closing Date as follows:

(1) each of the Purchaser and the Vendor shall be obliged to retain a solicitor who is both an authorized Teraview Electronic Registration System or "**TERS**" user and in good standing with the Law Society of Ontario, and such solicitors are hereby authorized by the parties to enter into a document registration agreement in the form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 or any replacement thereof with such changes as agreed to by the Vendor's Solicitors and the Purchaser's Solicitors, each acting reasonably (the "**DRA**");

(2) the delivery and exchange of the closing documents and balance of the Purchase Price, and the release of them to the Vendor and the Purchaser, as the case may be, shall be governed by the DRA;

(3) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by either party (in this paragraph called the "**Tendering Party**") upon the other party (in this paragraph called the "**Receiving Party**") when the solicitor for the Tendering Party has:

(a) delivered all applicable closing documents to the Receiving Party's solicitor in accordance with the provisions of this Agreement;

(b) advised the solicitor for the Receiving Party, in writing, that the Tendering Party is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and

(c) completed all steps required by TERS to complete this Transaction that can be

performed or undertaken by the Tendering Party's solicitor without the cooperation or participation of the Receiving Party's solicitor, and specifically when the Tendering Party's solicitor has electronically "signed" the electronic transfers and any other registrable documentation for completeness and granted "access" to the Receiving Party's solicitor (but without the Tendering Party's solicitor releasing them for registration by the Receiving Party's solicitor), without the necessity of personally attending upon the Receiving Party or the Receiving Party's solicitor with the closing documents and without any requirement to have an independent witness evidencing the foregoing.

It is a condition of Closing that all matters of payment, execution and delivery of documents by each party to the other shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required to be paid, executed and delivered under this Agreement at the Closing has been paid, executed and delivered.

## ARTICLE 11
## TERMINATION

### 11.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing:

(a) by the written agreement of both the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;

(b) by the Purchaser, upon written notice to the Vendor, if there has been a breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 9.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within 10 days, such longer period as is reasonable under the circumstances, not to exceed forty (40) days) following the date upon which the Vendor received such notice;

(c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (i) the Approval and Vesting Order has not been obtained, or (ii) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;

(d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 9.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within 10 days,

such longer period as is reasonable under the circumstances, not to exceed forty (40) days) following the date upon which the Purchaser received such notice; or

(e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (i) the Approval and Vesting Order has not been obtained, or (ii) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

**11.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 11.1, or as otherwise provided for in this Agreement, the provisions of those Sections which are meant to survive termination, including, but not limited to, Section 3.3 (Deposit and Satisfaction of Purchase Price), 12.7 (Governing Law), Section 12.1 (Fees, Commissions and other Costs and Expenses) and 12.17 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## ARTICLE 12
## GENERAL

**12.1 Fees, Commissions and other Costs and Expenses**

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

Except for Lennard Commercial Realty, neither the Vendor nor any Affiliate thereof has engaged any real estate broker in connection with this Transaction and no brokerage, realtor, or other similar success fee will be payable as by the Vendor and/or any Affiliate thereof as a result of the Transaction.

**12.2 Planning Act**

This Agreement is subject to compliance with the *Planning Act* (Ontario), as amended. The parties agree that compliance with the *Planning Act* (Ontario) shall be the responsibility of the Purchaser at its costs.

**12.3 Confidentiality**

Both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendor or the operations obtained by the Purchaser pursuant hereto, and will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendor or to the operations

which the Purchaser obtained pursuant to this Agreement or arrange for the destruction of the same.

### 12.4 Public Announcements

Except as required by Applicable Law, including without limitation in connection with the Approval and Vesting Order or any other Order of the Court, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor and the Purchaser.

### 12.5 Dissolution of Debtor

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtors subsequent to the Closing Date, or otherwise cause or allow any of the Debtors to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

### 12.6 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, unless specified specifically to survive and provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 4.3 (Enforcement of Representations and Warranties), Section 3.7 (Sales Tax, Land Transfer Tax and Registration Fees on Transfer), Article 5 ("As Is, Where Is" and No Additional Representations and Warranties) and Article 12 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

### 12.7 Governing Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Ontario for the resolution of any such dispute arising under this Agreement.

(b) The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 12.15 shall be deemed effective service of process on such Party.

### 12.8 Further Assurances

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### 12.9 Assignment

Neither this Agreement nor any of the rights, interests and obligations hereunder, may be assigned by any Party (by operation of law or otherwise) without the express written consent of the other Parties; provided, that this Agreement and the rights and obligations of the Purchaser hereunder may be assigned by Purchaser, without the prior written consent of the Vendor, to one or more of the Purchaser's Affiliates, so long as (i) such Affiliate is designated in writing by the Purchaser to the Vendor prior to service of the Vendor's motion materials seeking the Approval and Vesting Order (and references to Purchaser herein shall include its permitted designees where applicable) and (ii) the Purchaser continues to be bound by the terms of the Agreement and remain obligated in full hereunder, including with respect to the Purchaser's obligation to pay the Purchase Price, until Closing.

### 12.10 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

### 12.11 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

### 12.12 Time

Time is of the essence in this Agreement. Where anything is required to be done under this Agreement on a date which falls on a day that is not a Business Day, then the date for such thing to be done shall be the next Business Day, and, without limiting the foregoing, if the Closing Date is not a Business Day or a day on which the applicable land registry office for the Real Property is open for business, then the Closing Date shall be the next following Business Day on which all applicable land registry offices for the Real Property are open for business.

**12.13 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

**12.14 Tender and Closing Arrangements**

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement and any tender or delivery of documents or money hereunder may be made upon the Vendor or the Purchaser or the solicitors acting for them.

**12.15 Notices**

Any Notice must be in writing, sent by personal delivery, courier or electronic mail and addressed:

(a) in the case of the Vendor:

Albert Gelman Inc.
250 Ferrand Dr., Suite 403
Toronto, ON M3C 3G8

Attention: Adam Zeldin
Email: azeldin@albertgelman.com

With a copy to the Vendor's Solicitors:

Aird & Berlis LLP
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Steven Graff and Samantha Hans
Email: sgraff@airdberlis.com and shans@airdberlis.com

(b) In the case of the Purchaser:

Purposeful Group Ltd.
22 Diefenbaker Street
St. John's, Newfoundland
A1A 2M1

Attention:
Email:

With a copy to the Purchaser's Solicitors:

Osler, Hoskin & Harcourt LLP
First Canadian Place, 100 King Street West, Suite 6300
Toronto, ON M5X 1B8

Attention: Dave Rosenblat and Justin Kanji
Email: drosenblat@osler.com and jkanji@osler.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed.

**12.16 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns pursuant to the terms and conditions of this Agreement.

**12.17 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement (including this Section 12.17), each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. For the avoidance of doubt, the Vendor's Affiliates, the Debtors, their respective Affiliates, and each of their respective Representatives are intended third-party beneficiaries of the indemnities provided for in Section 7.1, and shall have the right to enforce the provisions thereof as though they were parties hereto. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of the Vendor's Affiliates, the Debtors, their respective Affiliates, and each of their respective Representatives.

**12.18 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

### 12.19 Vendor's Capacity

The Purchaser acknowledges that: (i) the Vendor, in executing the Agreement, is entering into the Agreement solely in its capacity as Receiver and Sales Officer of the Debtors, as applicable, and not in its personal or any other capacity; (ii) the Vendor shall have no personal or corporate liability of any kind whether in contract, tort or otherwise; and (iii) the Vendor's authority to act in respect of the Purchased Assets is governed by provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and the *Courts of Justice Act*, RSO 1990, c C.43, as amended.

### 12.20 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**ALBERT GELMAN INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF WOODINGTON ESTATES INC. AND SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND 1000736785 ONTARIO LIMITED, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: _____

Name: Adam Zeldin
Title: Managing Director

**PURPOSEFUL GROUP LTD.**

Per: Zahir Manek

Name: Zahir Manek
Title: General Counsel

**SCHEDULE A**
**LEGAL DESCRIPTION OF REAL PROPERTY**

**Legal Description:**

PIN 58170-0498 LT

PT LTS 1, 2 & 3 CON 4 AS IN RO1284373 EXCEPT PT 1 51R31629 TECUMSETH; S/TRO318906; NEW TECUMSETH

**Municipal Address:**

7110 4th Line, Tottenham, Ontario L0G 1W0

**SCHEDULE B**
**PURCHASED ASSETS**

The Purchased Assets shall include the following:

(a) the Real Property;

(b) the Assumed Contracts;

(c) Turfcare Agreements;

(d) the Other Property;

(e) the Warranties;

(f) the Equipment;

(g) the Books and Records; and

(h) Other Assets: all other assets not specifically enumerated in this Schedule B, but otherwise used, held for use or intended to be used in the operation of the Real Property, other than the Excluded Assets.

## SCHEDULE C
## EXCLUDED ASSETS

The Excluded Assets consist of the following:

(a) cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Debtors or the Vendor for and on behalf of the Debtors;

(b) other than as noted herein, including but not limited to section 6.1, any benefits payable under all insurance policies relating to Real Property or the other Purchased Assets for the period prior to the Closing;

(c) all funds or deposits held by suppliers, customers or any other Person in trust for or on behalf of any one of the Debtors; and

(d) any HST refunds due to any one of the Debtors for the period prior to and up to the Closing.

**SCHEDULE D**
**PERMITTED ENCUMBRANCES**

1. Instrument No. RO318906 being a Transfer of Easement registered on December 22, 1969.

2. Instrument No. 51R9747 being a Reference Plan registered on September 10, 1980.

3. Instrument No. 51R13112 being a Reference Plan registered on November 28, 1984.

4. Instrument No. SC59220 being a Notice of a Site Plan Agreement registered on September 27, 2002.

5. Instrument No. SC595587 being a Land Registrar's Order registered on October 25, 2007.

6. Instrument No. 51R40761 being a Reference Plan registered on December 9, 2016.

7. Instrument No. SC1421201 being an Application to register By-law Number 2017-085 registered on June 16, 2017.

8. Instrument No. SC1568886 being a Transfer registered on January 11, 2019.

# APPENDIX “D”

Court File No. CV-24-00725570-00CL

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

| | | |
|---|---|---|
| THE HONOURABLE | ) | WEDNESDAY, THE 4TH DAY |
| | ) | |
| JUSTICE BLACK | ) | OF FEBRUARY, 2026 |

B E T W E E N:

**MELVYN EISEN, TRUSTEE**

Applicant

- and -

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

## APPROVAL AND VESTING ORDER

**THIS MOTION**, made by Albert Gelman Inc. ("**AGI**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of the assets, undertakings and properties of Woodington Estates Inc. ("**Woodington Estates**") and in its capacity as the Court-appointed sales officer (in such capacity, the "**Sales Officer**"), without security, of all the assets, undertakings and properties of Woodington Management Inc. and 1000736785 Ontario

Limited (collectively, with Woodington Estates, the "**Debtors**"), for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between AGI in its dual capacity as Receiver and Sales Officer, as vendor (the "**Vendor**") and Purposeful Group Ltd., as assigned to Purposeful Golf WL Ltd., as purchaser (the "**Purchaser**"), dated January 14, 2026, together with the schedules thereto, and appended to the Second Report of the Vendor dated January 26, 2026 (the "**Second Report**"), and vesting in the Purchaser all of the Debtors' right, title and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets**") was heard this day by judicial videoconference.

**ON READING** the Motion Record of the Vendor, including the Second Report and the appendices thereto, and the Supplement to the Second Report of the Vendor dated January 28, 2026 and the appendices thereto, and on hearing the submissions of counsel for the Vendor, and other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Shaun Parsons sworn January 27, 2026 and January 29, 2026, filed:

**SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time and method for service of the Notice of Motion and the Motion Record in support of this Motion be and is hereby abridged and validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that references to the "Vendor" throughout this Order and the schedules hereto shall refer to AGI in its dual capacity as both Receiver and Sales Officer, while any reference to "Receiver" or "Sales Officer" shall refer to AGI solely in its capacity as either Receiver or Sales Officer.

**TRANSACTION APPROVAL**

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor and the Purchaser may deem necessary. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents

as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Vendor's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Vendor's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of the Honourable Justice Black dated December 2, 2024, and July 15, 2025; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby ordered and directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby ordered and directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Vendor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the

same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Vendor to file with the Court a copy of the Vendor's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding the provisions of subsection 171(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the Vendor be and is hereby authorized and directed, upon filing of the Vendor's Certificate, to complete, execute and file articles of amendment for and on behalf of the Debtors and any officer and director of the Debtors (such articles of amendment to be deemed to have been signed by a director or an officer of the Debtors and executed in accordance with the OBCA when so signed by the Vendor as directed by this Court) for the sole purpose of changing the corporate name of the Debtors (and such amendment shall be deemed to have been duly authorized by Section 168 of the OBCA without any shareholder or director resolution approving such amendment being required), and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon a certificate of amendment upon receipt from the Vendor of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Vendor be and is hereby authorized and directed to complete, execute and file for and on behalf of the Debtors and any officer and director of Debtors, if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

10. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Debtors;

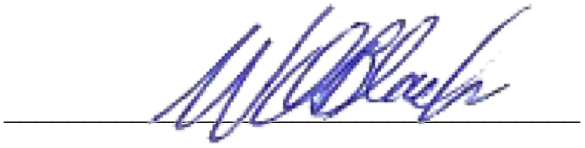
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of any of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended (the "**BIA**") or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. **THIS COURT ORDERS** that, pursuant to section 195 of the BIA, this Order is subject to provisional execution notwithstanding any appeal brought in respect of this Order under the BIA or the *Courts of Justice Act*, R.S.O. 1990, C. C.43, as amended.

**GENERAL**

12. **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 Vendor and its 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 Vendor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendor and its agents in carrying out the terms of this Order.

13. **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.



**Schedule "A" – Form of Vendor's Certificate**

Court File No. CV-24-00725570-00CL

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

B E T W E E N:

**MELVYN EISEN, TRUSTEE**

Applicant

- and -

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

**VENDOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "**Court**") dated December 2, 2024, Albert Gelman Inc. ("**AGI**") was appointed as the receiver (the "**Receiver"**) of the undertaking, property and assets of Woodington Estates Inc. ("**Woodington Estates**").

B. Pursuant to an Order of the Court dated July 15, 2025, AGI was appointed as the sales officer (the "**Sales Officer**") of the undertaking, property and assets of Woodington Management Inc. and 1000736785 Ontario Limited (collectively, with Woodington Estates, the "**Debtors**").

C. Pursuant to an Order of the Court dated February 4, 2026, the Court approved the agreement of purchase and sale dated January 14, 2026 (the "**Sale Agreement**") between AGI in its dual capacity as both Receiver and Sales Officer (the "**Vendor**") and Purposeful Group Ltd.,

as assigned to Purposeful Golf WL Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Vendor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Vendor.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE VENDOR CERTIFIES** the following:

1. The Purchaser has paid and the Vendor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Vendor.

4. This Certificate was delivered by the Vendor at _____ [TIME] on _____ [DATE].

**ALBERT GELMAN INC., solely in its capacity as Receiver of Woodington Estates Inc. and Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited, and not in its personal or corporate capacities**

Per: _____

Name:

Title:

## Schedule "B" – Purchased Assets

The Purchased Assets, as defined in the Sale Agreement including, without limitation, the Real Property described as follows:

Municipally known as: 7110 4th Line, Tottenham, Ontario, L0G 1W0

Legal Description:

PIN 58170-0498 LT

PT LTS 1, 2 & 3 CON 4 AS IN RO1284373 EXCEPT PT 1 51R31629 TECUMSETH; S/T RO318906; NEW TECUMSETH

Land Registry Office: Land Titles Division of Simcoe (No. 51)

**Schedule "C" – Claims to be Deleted and Expunged from title to Real Property**

1. Instrument No. RO868100Z, being an Application to Annex Restrictive Covenant registered on July 2, 1985.

2. Instrument No. SC1568887, being a Charge registered on January 11, 2019 in favour of Melvyn Eisen securing the sum of $11,500,000.00.

3. Instrument No. SC1568888, being a Notice of Assignment of Rents – General registered on January 11, 2019 in favour of Melvyn Eisen.

4. Instrument No. SC1615589, being a Charge registered on August 12, 2019 in favour of Goldy Metals Holdings Inc. securing the sum of $5,500,000.00.

5. Instrument No. SC1615590, being a Notice of Assignment of Rents – General registered on August 12, 2019 in favour of Goldy Metals Holdings Inc.

6. Instrument No. SC1916092, being a Charge registered on July 21, 2022 in favour of Melvyn Eisen and Windsor II Limited Partnership securing the sum of $5,000,000.00.

7. Instrument No. SC2039172, being a Certificate of Tax Arrears of The Corporation of The Town of New Tecumseth registered on February 16, 2024 for the sum of $134,458.00.

8. Instrument No. SC2067923, being a Construction Lien registered on July 8, 2024 in favour of Silvio Construction Co. Ltd. for the sum of $1,538,083.00.

9. Instrument No. SC2074650, being a Certificate re: Construction Lien registered on August 7, 2024 as Instrument No. SC2067923.

10. Instrument No. SC2101587, being an Application to Register Court Order registered on December 9, 2024 appointing Albert Gelman Inc. as receiver.

11. Instrument No. SC2125213, being a Notice of Lease registered on April 15, 2025 in favour of 1000736785 Ontario Limited.

**Schedule "D" – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property**

**(unaffected by the Vesting Order)**

1. Instrument No. RO318906, being a Transfer of Easement registered on December 22, 1969.

2. Instrument No. 51R9747, being a Reference Plan registered on September 10, 1980.

3. Instrument No. 51R13112, being a Reference Plan registered on November 28, 1984.

4. Instrument No. SC59220, being a Notice of a Site Plan Agreement registered on September 27, 2002.

5. Instrument No. SC595587, being a Land Registrar's Order registered on October 25, 2007.

6. Instrument No. 51R40761, being a Reference Plan registered on December 9, 2016.

7. Instrument No. SC1421201, being an Application to register By-law Number 2017-085 registered on June 16, 2017.

8. Instrument No. SC1568886, being a Transfer registered on January 11, 2019.

**MELVYN EISEN, TRUSTEE**

Applicant

and

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

Respondents

Court File No. CV-24-00725570-00CL

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

Proceedings commenced at TORONTO

**APPROVAL AND VESTING ORDER**

**AIRD & BERLIS LLP**
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

**Steven Graff** (LSO # 31871V)
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**Samantha Hans** (LSO # 84737H)
Tel: (437) 880-6105
Email: shans@airdberlis.com

*Lawyers for the Receiver and Sales Officer*

67149217.6

# APPENDIX “E”

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

**For Plaintiff, Applicant, Moving Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Harvey Chaiton | Counsel to Melvyn Eisen, Trustee | harvey@chaitons.com |

**For Defendant, Respondent, Responding Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Thomas Friedland<br>Brittni Tee | Counsel to Goldy Metals Holdings Inc. | tfriedland@goodmans.ca<br>btee@goodmans.ca |
| D. Presta<br>Nicole Maragna | Counsel to Silvio Construction Co. Ltd. | dpresta@bianchipresta.com<br>nmaragna@bianchipresta.com |
| David Ullmann | Counsel to1000736785 Ontario Limited | dullmann@blaney.com |
| D. Langley | Counsel to Turf Care Products Canada Limited | dlangley@wvllp.ca |

**For Other, Receiver, Non-Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Steven Graff, Samantha Hans, Shaun Parsons, Bryan Gelman, Adam Zeldin | Receiver - Albert Gelman Inc. | sgraff@airdberlis.com<br>shans@airdberlis.com<br>sparsons@airdberlis.com<br>bgelman@albertgelman.com<br>azeldin@albertgelman.com |
| Mary Paterson, Justin Kanji | Counsel to Non-party - Purposeful Group Ltd. | mpaterson@osler.com<br>jkanji@osler.com |
| Jared Brown | Counsel to Non-party - John Chetti | jbrown@brownlaw.ca |

**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.

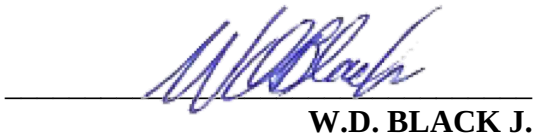
[58] In terms of the further motion contemplated in the agreed language recited above, I advised the parties that I am normally prepared to conduct hearings that need to be accommodated on short notice at 8:30 in the morning, and that if the parties agree on a mutually convenient date, and assuming such 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**

# APPENDIX “F”

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

# COUNSEL/ENDORSEMENT SLIP

**COURT FILE NO.:** **CV-24-00725570-00CL** **DATE: FEBRUARY 19, 2026**

**NO. ON LIST: 1**

**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

**For Plaintiff, Applicant, Moving Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Harvey Chaiton | Counsel to the Applicant, Melvyn Eisen, Trustee | harvey@chaitons.com |

**For Defendant, Respondent, Responding Party:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Samantha Hans<br>Steven Graff<br>Shaun Parsons | Counsel to Albert Gelman Inc. | shans@airdberlis.com<br>sgraff@airdberlis.com<br>sparsons@airdberlis.com |
| Adam Zeldin<br>Bryan Gelman | Albert Gelman Inc., Receiver of Woodington Estates Inc. | azeldin@albertgelman.com<br>bgelman@albertgelman.com |
| David Ullmann | Counsel to the Respondent, 1000736785 Ontario Inc. | dullmann@blaney.com |

**For Other, Self-Represented:**

| Name of Person Appearing | Name of Party | Contact Info |
|---|---|---|
| Brittni Tee<br>Tom Friedland | Counsel to Goldy Metals Holdings Inc. | btee@goodmans.ca<br>tfriedland@goodmans.ca |
| Pavle Masic | Counsel to John Chetti | pmasic@rickettsharris.com |

**ENDORSEMENT**

**Overview**

[1] On February 10, 2026, I released an endorsement relative to a hearing in this matter on February 4, 2026. In that decision I granted an Approval and Vesting Order (in this endorsement I will continue to use terms as defined in the parties' materials) approving the Transaction contemplated in the Sale Agreement (dated January 14, 2026), and authorizing the Vendor to complete the Transaction.

[2] As confirmed in my endorsement, there was somewhat limited time available for the hearing on February 4, and as a result a number of related matters had to be deferred.

[3] Today I heard the parties' submissions about those various related matters.

**Items Before Me Today**

[4] AGI, which was originally appointed as the Receiver, and which has since July of 2025 occupied the dual role of Receiver and Sales Officer, proposed in its Aide Memoire for today's hearing that the remaining issues for determination included the question of authorization for AGI to make a proposed distribution to Eisen, the senior secured creditor, from the net proceeds of the transaction. AGI also sought approval of its Reports, activities and conduct, and approval of its fees and those of its counsel, as well as approval of the Interim SRD.

[5] Also before me was a motion by 785 – the Return of Funds motion - which I had adjourned on February 4, seeking repayment of an amount of $234,000 that 785 maintains was inappropriately taken by AGI from 785's operating funds in January (and used without court approval or other legitimate basis to pay AGI's fees and those of its counsel). Relatedly, 785 contests AGI's entitlement to the fees it claims, both on the basis of alleged shortcomings in AGI's conduct (in particular in respect of the $234,000) and on the basis of alleged deficiencies in the evidentiary record relative to the fees claimed.

[6] Finally, counsel who has been newly retained by Mr. John Chetti to appeal my February 10 decision pointed out that my Approval and Vesting Order of that day contained, in paragraph 11, a clause contemplating provisional execution of the order, notwithstanding a discussion during the hearing on February 4 in which it was suggested that the potential availability of provisional execution should be the subject of specific submissions (which were not made before me that day). While an issue was raised as to whether or not Mr. John Chetti's new appeal counsel, having not yet delivered a Notice of Change of Lawyer or a Notice of Appeal, had standing to raise this issue, counsel for 785 (whose standing is undoubted) then joined in this submission.

**Error Re Provisional Execution Clause**

[7] The submission is accurate and fair. As my notes for the February 4 hearing confirm, paragraph 11 ought not to have appeared in the Approval and Vesting Order without my hearing specific submissions on the proposition. I apologize to the parties for this oversight, and, as suggested by counsel, I strike paragraph 11 from the Approval and Vesting Order, nunc pro tunc, and on the basis that I will hear the parties' submissions on this topic at the appropriate juncture.

**Requested Distribution to Eisen**

[8] I turn now to the first remaining issue, as to the requested authorization for AGI to make a distribution, from the proceeds of the Transaction, to Eisen. AGI, in its capacity as Receiver of WEI, recommends this approval.

[9] It is uncontested that in January of 2019, Eisen advanced a loan to WEI in the amount of $11.5 million, to finance the purchase of the Golf Course Lands and the Golf Club business. I noted in my February 10 endorsement that, as of February 4, the outstanding accrued amount, in respect of which no payments had been made for some time, stood at approximately $14.3 million (the precise amount at that date was $14,303,966.74).

[10] Eisen's loan is secured by a mortgage on the Golf Course Lands, and a Guarantee given by WMI secured by a GSA.

[11] Eisen's evidence is that at the time of the loan, Eisen inquired of WMI's counsel – Gowlings - whether WMI would be acquiring both the Golf Course Lands and the Golf Club business or if a separate company would be used to acquire the Golf Club business.

[12] Gowlings advised that a separate company would own the Golf Club business, and so Eisen requested and obtained the WMI GSA.

[13] A somewhat unusual set of events played out before me in mid-2025 in relation to this GSA.

[14] That is, at the time of making demand for payment and then commencing these proceedings, Eisen was unable to locate the WMI GSA. He then found the WMI GSA in May of 2025, and proceeded to register financing statements against WMI and 785 to perfect his security interest.

[15] A copy of the WMI GSA together with a covering letter from Gowlings enclosing it were filed before me in the summer of 2025. Given the Gowlings cover letter, there is no reasonable basis to suggest that the WMI GSA is not an authentic document.

[16] Mr. Joe Chetti's evidence at the time was to say that he had forgotten that the WMI GSA had been granted, but that there was an agreement that the WMI GSA would not be relied upon and was invalid. Apart from simply asserting that this was so, Mr. Joe Chetti, who has since passed away, did not provide evidence to confirm or corroborate his assertion. Similarly, while Mr. Joe Chetti's company, Rock Garden, obtained a GSA from 785 to secure payment purportedly advanced to fund 785's operating costs, neither Rock Garden nor anyone on its behalf has provided evidence that any such advance was actually made.

[17] Eisen submits that Mr. Joe Chetti's assertions, in the absence of confirming evidence and in the face of the WMI GSA provided by Gowlings, should be rejected as commercially implausible.

[18] I agree.

[19] As counsel for Goldy and AGI point out in supporting the request to authorize the distribution to Eisen, Eisen's substantial senior secured debt, about the validity of which there can be no doubt, is continuing to accrue interest, and Eisen is continuing to incur legal costs, all of which will erode the value available for the claims of other stakeholders.

[20] In my view delaying payment to Eisen until after a hearing about allocations and distributions sometime after the Transaction closes, as 785 advocated before me today, effectively delays the inevitable, and at a measurable cost to the estate. Even if the Rock Garden claim is ultimately substantiated, which currently seems unlikely, there will be more than ample proceeds from the Transaction to pay the Eisen claim, which is valid and first-ranking and which, again, is diminishing the assets of the estate as it accrues interest. While 785 fairly makes the point that it remains to determine a definitive allocation of the proceeds of the Transaction as between WEI and 785, it makes no submission suggesting that, depending on that allocation, there will be insufficient funds to pay out Eisen's position in full.

[21] In the circumstances I authorize the distribution to Eisen from the proceeds of the Transaction once it closes.

**Denial of Adjournment Request**

[22] I should note that 785 had also suggested, in its Aide Memoire for today's conference, that, in light of Mr. John Chetti's stated intention to appeal the AVO decision, and given that 785 is also considering doing so, I ought to have adjourned today's hearing (other than 785's Return of Funds motion, which 785's counsel fairly points out was before me, but not addressed, on February 4).

[23] My difficulty with this suggestion was that, although new appeal counsel for Mr. John Chetti was in attendance today (as noted), I was advised that no notice of appeal had yet been delivered. Moreover, it is not clear to me – and counsel appear to disagree – whether some or all aspects of my decision on the February 4 hearing may require leave to appeal. I note in passing in that regard 785's submission, apparently echoed by by Mr. John Chetti's new counsel (not yet officially on the record) that, in referring in my February 10 endorsement to "pressing deadlines, including with respect to a potential appeal period" I should be taken to be endorsing a suggestion of one or more counsel that there would be an appeal as of right and 30 days within which to bring such appeal. To be clear, I was not asked to, and did not turn my mind to those issues, which generally I would leave to counsel.

[24] In the circumstances, notwithstanding the apparent intention for at least Mr. John Chetti to appeal, I saw no basis today to delay the hearing of the remaining matters.

**Return of Funds Versus Approval of Fees**

[25] The next of those remaining matters, and the matter occupying the most significant portion of the time today, was the joined issues between 785's Return of Funds motion and AGI's request for approval of its activities and fees, and those of its counsel.

[26] These issues were joined inasmuch as the funds that are the subject of 785's Return of Funds motion – the $234,000 – were taken by AGI on or about January 9, 2026 (which 785 learned on January 12) and used to pay its fees (and those of its counsel).

[27] 785 makes a number of arguments in support of its contention that the $234,000 ought to be returned to its operating account.

[28] First, going in particular to the quantum of fees claimed by AGI and its counsel, 785 makes two arguments – both technical, but also technically correct – relative to the affidavit evidence in support of the fees claimed.

[29] As an initial matter, counsel for 785 pointed out that Mr. Graff, lead counsel for AGI, who made the submissions on behalf of AGI, including, initially, with respect to the quantum of fees claimed, had in fact sworn the underlying fees affidavit in support of his firm's claimed fees.

[30] While there was no challenge asserted in the evidence to this approach nor Mr. Graff's evidence, nor any attempt to cross-examine Mr. Graff, and while the usual rules may apply less forcefully when one is dealing with an officer of the court in a receivership setting, best practice even still does not likely countenance counsel arguing on the basis of his or her own affidavit.

[31] That said, Mr. Graff's colleague Ms. Hans stepped in at a certain point and made brief but appropriate submissions relative to the content of Mr. Graff's fees affidavit (and the quantum of the fees claimed). This in my view rendered moot the force of an argument as to the impropriety of Mr. Graff appearing on his own affidavit, and satisfactorily put any such issue to rest.

[32] The second somewhat technical argument advanced by 785 was that the fees claimed for AGI and its counsel in the fees affidavits were not specifically broken down and accounted as between work in respect of WMI and 785 (the Golf Club entities) on one hand and WEI (the Real Property entity) on the other.

[33] I note that this is not a complaint about overall quantum per se, but rather a claim about an allegedly imprecise allocation of fees as between these two items.

[34] In its submission, 785 emphasizes that the distinction and specific allocation is important, in particular because:

> "….785 and WEI have different creditors and stakeholders. There has been no substantial consolidation of these estates and 785 is not in receivership. In order for the court and 785 to determine its position with respect to the fees to be paid to AGI, this information is required. It has been requested but not yet provided. The Court should seek further affidavits on this issue before any decision is made."

[35] 785 also notes that the Second Report highlights that AGI engaged in an extensive forensic review of the tax status of 785 or WMI and reviewed the financial history of 785 or WMI, complaining that there is no explanation connecting this exercise to AGI's sale process mandate or ensuring ongoing operations, nor precise details as to how much time was spent on this task. 785 says it is not clear why such fees, whatever they amounted to, should be borne by 785.

[36] With respect, I find this latter submission somewhat disingenuous. As I noted in my endorsement for the February 4 hearing, I was concerned about AGI's conclusions in its Second Report about substantial funds within 785 that were not properly accounted for and "not demonstrably connected to the ordinary course of the Golf Club business" and AGI's identification of "significant tax compliance deficiencies."

[37] I accept that, in order to properly discharge its sale process mandate, and in particular to ensure ongoing operations, it was not just prudent but absolutely critical for AGI to identify, control and curtail these problematic activities (which, it appears, implicated each of Ms. Chetti and Mr. John Chetti). As such I have no difficulty with the fees incurred relative to this investigation and the steps taken in the result.

[38] As to the allocation as between the 785/WMI mandate on one hand and the WEI mandate on the other, which is 785's next significant concern, AGI says that "in order to contain costs and avoid time unnecessarily incurred on this matter, the Receiver and Sales Officer and its counsel (A&B) did not review

each of their respective dockets individually when allocating fees as between the WMI/785 mandate and the WEI mandate" and that, in any event, "much of the work related to both mandates."

[39] In response, AGI says, "the Receiver and Sales Officer and A&B reviewed and discussed their dockets and time spent generally. After such review, the decision was made to allocate the professional fees of both the Receiver and Sales Officer and A&B in a manner that reflected a thoughtful assessment of the time spent on each aspect of the proceeding…"

[40] More specifically, as detailed in the Second Report and explained in AGI's Reply Aide Memoire:

> "Specifically, with respect to invoices issued by the Receiver and Sales Officer and A&B, as at December 2025, A&B was owed approximately $103,000 and the Receiver and Sales Officer was owed approximately $229,000 (totalling $332,000). Of their respective fees, A&B allocated 60% towards 785/WMI and 40% towards WEI, and the Receiver and Sales Officer allocated 75% towards 785/WMI and 25% towards WEI, all based on an intentional assessment of the time that had been spent on each of the respective mandates."

[41] As such, AGI explains, "A&B was paid approximately $62,000 from the 785 bank account and the Receiver and Sales Officer was paid approximately $172,000 from the 785 bank account (for clarity, WMI has no bank account). The remainder of the fees owing to A&B and the Receiver and Sales Officer were left unpaid and funds currently remain in the 785 bank account for operational purposes."

[42] In determining what flows from these circumstances, I start by agreeing with 785's submission that, rather than simply "scooping" funds from 785's bank account, AGI ought to have put its fee affidavit, and that of its counsel, before this court for approval. Allowing receivers (and/or sales officers) to dip into a debtor's accounts, without advance authorization and confirmation of amounts from the court, bespeaks a "slippery slope" that is not to be encouraged.

[43] That said, while I do not condone AGI's order of operations here, I am satisfied on balance (subject only to 785's demonstrable operational needs, discussed below) that the amounts taken by AGI for its fees were reasonable, and that, in the circumstances, it was reasonable that those funds should come from the only available account in the receivership/sale process setting, being the 785 account.

[44] While in a perfect world it also would be preferable for AGI and A&B's dockets to precisely delineate as between 785/WMI-related activities on one hand and WEI-related activities on the other, I can understand why, as a practical matter, given that both AGI and its counsel were simultaneously dealing with both matters, and overlap between both matters in much of their work, the delineation in the docketing was somewhat imprecise.

[45] I should note that in this context, counsel for 785 sent to me, after the conclusion of the hearing, the decision of the Court of Appeal for Ontario in *Confectionately Yours, Inc*. 2002 CanLII 45059, drawing my attention in particular to paragraphs 30-40 of the endorsement of Borins JA therein.

[46] Justice Borins, in those passages, emphasizes that, contrary to various other activities of a Receiver, for which a report to the court provides a sufficient basis for the court to make determinations and to act, when a Receiver (which I would say encompasses a Sale Officer as well) asks the court to approve its compensation, it is necessary for the Receiver to verify its accounts by way of affidavit evidence. In doing so, it must also be subject to cross-examination if a party objects to the compensation claimed. Justice Borins confirmed that the same holds true for a solicitor's account(s).

[47] I accept without reservation these propositions.

[48] However, I do not think they have particular application to the circumstances at hand. Here, the complaint is not that no affidavit evidence was provided, but rather that – initially – it was inappropriate for counsel to argue based on his own affidavit, and that the affidavit evidence was insufficiently precise about the breakdown of the time spent and fees incurred as between the two relevant entities. For the reasons set out above, I am satisfied that the issue concerning argument by the deponent of an affidavit was solved before me by the intervention of Ms. Hans.

[49] I am also satisfied, again as set out above, that AGI and its counsel made a good faith effort to assess the overall extent of their respective activities involving one entity or the other. Ultimately, absent evidence of bad faith or negligence, neither of which is evident here, the court necessarily places considerable trust in its officers to provide practical advice and recommendations as to what steps and practices are reasonable and appropriate in the circumstances at hand.

[50] Again, it would have been preferable for there to have been better communications from AGI and its counsel concerning the proposed payment of their fees, and, as noted, preferable for approval to have been sought in the ordinary course before payment. I understand that, in particular in the last few months, there has been considerable activity and mounting tensions over an array of issue, but to be clear that does not obviate, and in fact underlines, the need for court officers to be transparent as to their activities.

**Proviso – 785's Operational Needs Pending Transaction and Golf Season**

[51] The other proviso, as noted above, relates to the question of just what 785 needs in its operating account in order to get from here to the pending start of the 2026 golf season, and the interplay between 785's activities on that front and the pending Transaction (and resulting change in control of the Golf Club).

[52] 785 says that, given that the golf season is just around the corner, it needs to stock up the pro shop, acquire additional golf carts, and otherwise incur expenditures with a view to ensuring that the Golf Club can operate seamlessly going into that season.

[53] AGI responds that, while some of that activity is or may be necessary, it is unwise for 785 to assume that it knows what acquisitions the Purchaser will want to make, and that incurring a full array of expenditures in anticipation of the golf season (in keeping with 785's past practices) risks wasting at least some of the money spent in that effort.

[54] Counsel for each of 785 and AGI have emphasized at various points, and continued to do so before me on this motion, the benefits of open communication.

[55] Obviously, I agree that transparency and clarity are important.

[56] To that end, I direct that 785 and AGI, and their respective counsel, compare notes as to 785's proposed operational expenditures to see what can be agreed. It may be helpful on this front for AGI to determine from the Purchaser (Purposeful Golf) what its preferences are in terms of expenditures to ready the Golf Club for use. As 785's counsel pointed out, there is a mechanism in the Sale Agreement for a reconciliation of such costs; in my view it makes sense for the parties to compare notes and to jointly develop, to the extent possible, an agreed plan for necessary expenditures in the near term.

[57] If it proves to be the case that 785 has inadequate funds to pay for whatever is agreed to be necessary, then I expect AGI to take steps to return, temporarily, such funds as are necessary to bridge whatever gap becomes evident.

**785's Counsel's Fees**

[58] On that note, counsel for 785 noted in the course of his submissions on this topic that AGI/A&B have recently balked, or at least hesitated in relation to 785's counsel's own accounts. Mr. Ullman fairly expressed concern about AGI/A&B seeing to their own accounts without advance approval, on one hand, and taking issue with Mr. Ullman's accounts, on the other.

[59] Based on AGI's submissions before me, it seemed that the issue was more related to timing than substantive concerns, but to be clear I expect that in the forthcoming discussion that I am directing the issue of Mr. Ullman's firm's account(s) also be addressed. While Mr. Ullman has not entirely succeeded with all of his submissions before me, it is evident, including in the discussion above, that he has raised a number of points meriting careful consideration, and has thus assisted the court in this proceeding.

**AGI's Conduct and Activities**

[60] 785 also expressed reservations about AGI's conduct – in relation to the request before me with respect to AGI and A&B's accounts. The concerns are as discussed above.

[61] While I do not find that AGI's conduct, or that of its counsel, has been perfect and above reproach at every turn, I do find, again as discussed above, that on balance that conduct has been reasonable and helpful and therefore, just as I am approving the fees at issue (subject to the parties' assessment of 785's operational needs between now and closing, discussed just above), I am also prepared to approve AGI's conduct and activities, and its Second Report, Supplement to the Second Report, and Prior Reports.

**No Opposition to Interim SRD**

[62] The last remaining item, for now, is a request to approve AGI's Interim SRD. There is no opposition to this request, and I approve it.

[63] Finally, counsel agreed that it remains to determine the remaining allocation of the proceeds of the Transaction – apart from that to Eisen – once those proceeds are in hand.

[64] At the appropriate juncture, if no agreement is reached, counsel should set up a scheduling appointment to establish a date for that remaining hearing.

**W.D. BLACK J.**

**DATE OF RELEASE: February 23, 2026**

# APPENDIX “G”

ALBERT GELMAN

# FIRST REPORT OF
# ALBERT GELMAN INC.
# AS RECEIVER OF
# WOODINGTON ESTATES INC.

**JANUARY 27, 2025**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC.**

**Respondent**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# FIRST REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER

**JANUARY 27, 2025**

## I. INTRODUCTION

1. This report (the "**First Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver (in such capacity, the "**Receiver**") of all the assets, undertakings and properties (collectively, the "**Property**") of Woodington Estates Inc. (the "**Company**"), including the real property municipally known as 7110 4th Line, Tottenham, Ontario (the "**Golf Course Lands**").

2. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December 2, 2024 (the "**Filing Date**"), AGI was appointed Receiver of the Company. A copy of the Receivership Order is attached hereto as **Appendix "A"**.

3. The application to appoint AGI as Receiver (the "**Receivership Application**") was made by the Company's senior secured creditor, Melvyn Eisen ("**Eisen**"), trustee in respect of a syndicated loan made to the Company (the "**Applicant**").

4. The Company is the registered owner of the Golf Course Lands, on which a thirty-six (36) hole golf course, approximately 32,000 square foot clubhouse facility (the "**Clubhouse**") and supporting infrastructure known as "Woodington Lake Golf Club" is situated (the "**Golf Club**").

5. The primary purpose of these receivership proceedings is to conduct a coordinated, Court-supervised sale process for the Golf Course Lands and the Golf Club business (the "**Sale Process**"), and to obtain possession of or otherwise review the Company's and other relevant books and records to determine, among other things, ownership of the Golf Club and facilitate realizations of the Golf Course Lands, including the business of the Golf Club.

6. The Receiver has established a case website at https://www.albertgelman.com/corporate-solutions/other-engagements/ (the "**Case Website**"), where copies of Court and other materials pertaining to these receivership proceedings are available in electronic form.

7. The Receiver has retained Aird & Berlis LLP ("**A&B**") as its counsel in connection with these proceedings.

## II. PURPOSE OF THIS REPORT

8. The purpose of this First Report is to provide the Court with information pertaining to the following:

   a. relevant background information about the Company, its creditors and these proceedings;

   b. the Receiver's findings and observations since the commencement of these proceedings;

   c. the Sale Process;

d. the activities of the Receiver since the Filing Date; and

e. the Receiver's recommendation that this Court grant an Order (the "**Sale Process and Ancillary Relief Order**") and/or a judicial determination, as the case may be, *inter alia*:

i. appointing AGI as a limited equitable receiver, without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**WMI**") and 1000736785 Ontario Limited ("**785**", and collectively with WMI, the "**Affiliates**"), for the purpose of marketing and selling the Affiliates' assets with those of the Company in order to facilitate the orderly execution of the Sale Process, encompassing both the Golf Club and the Golf Course Lands;

ii. approving the Sale Process, including the Sale Process procedures, attached as Schedule "A" to the Sale Process and Ancillary Relief Order (the "**Sale Process Procedures**"), and authorizing the Receiver to conduct the Sale Process;

iii. that the sale of the Golf Course Lands shall take place free and clear of any encumbrances, including the Lease (as defined below), other than expressly permitted encumbrances;

iv. that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company or, in the alternative, that the Lease disregarded the reasonable interests and expectations of the Applicant and Goldy (as defined below) as secured mortgagees, constituting oppressive conduct, and is void and unenforceable as against the Applicant and Goldy;

v. if the relief in 8(e)(iv) above is sought in a separate application, that such application be heard contemporaneously with the Receiver's motion;

vi. ordering certain disclosure to the Receiver;

vii. authorizing the Receiver to examine certain individuals in connection with these proceedings; and

viii. approving this First Report and the actions, activities and conduct of the Receiver described herein.

## III. SCOPE AND TERMS OF REFERENCE

9. In preparing this First Report, the Receiver has relied upon certain unaudited financial information, the Company's books and records, discussions with the Company, its principal (Joseph Chetti, "**Chetti**"), and its legal counsel (Blaney McMurtry LLP, "**Blaney**"), legal counsel to the Company's senior secured creditors, Eisen (Chaitons LLP, "**Chaitons**") and Goldy (Goodmans LLP,

"**Goodmans**"), representatives from Canada Revenue Agency ("**CRA**") and other stakeholders and individuals with knowledge of the Company's and Chetti's affairs.

10. While the Receiver has reviewed the various documents and other information obtained from the Company and other parties, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**") or otherwise. Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.

11. This First Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

12. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

13. Capitalized terms not otherwise defined in this First Report have the meanings given to them in the Sale Process Procedures.

## IV. BACKGROUND

14. In connection with the Receivership Application, the following sworn affidavits were filed with the Court:

    a. the affidavit of Melvyn Eisen sworn August 7, 2024, filed in support of the Receivership Application (the "**First Eisen Affidavit**");

    b. the affidavit of Kenneth Gold of Goldy Metals Holdings Inc. (the Company's second-secured lender, "**Goldy**") sworn August 30, 2024, filed in support of the Receivership Application (the "**First Goldy Affidavit**");

    c. the responding affidavit of Joseph Chetti sworn September 9, 2024, filed in opposition to the Receivership Application (the "**Chetti Affidavit**");

    d. the affidavit of Melvyn Eisen sworn November 21, 2024, filed in support of a motion brought by Eisen seeking the appointment of AGI as Receiver (the "**Receivership Motion**") following the Company's failure to meet the terms of a Letter Agreement dated October 8, 2024 (the "**Letter Agreement**") among Eisen, Goldy and the Company, whereby the parties agreed to adjourn the Receivership Application subject to the terms and conditions of the Letter Agreement (the

"**Second Eisen Affidavit**"). A copy of the Letter Agreement is attached hereto as **Appendix "B"**; and

e. the supplementary affidavit of Kenneth Gold sworn November 20, 2024, filed in support of Receivership Motion (the "**Second Goldy Affidavit**", and collectively with the First Eisen Affidavit, the First Goldy Affidavit, the Chetti Affidavit and the Second Eisen Affidavit, the "**Affidavits**").

15. The Affidavits provide, among other things, information concerning the Company's background, creditor composition and events giving rise to the Receivership Application and Receivership Motion, and, accordingly, that detailed discussion has not been repeated in this First Report. Copies of the Affidavits, without exhibits, are attached hereto as **Appendix "C"**. Copies of the Affidavits, with exhibits, are available on the Case Website.

**Background Regarding the Company and its Affiliates**

16. The Company is a privately-held Ontario corporation and has been the registered owner of the Golf Course Lands since January 11, 2019.

17. Chetti is the sole director and officer of the Company.

18. The Receiver understands that Chetti, through companies controlled by him, acquired the Golf Course Lands and the Golf Club at/around the end of 2017, as follows:

a. pursuant to an agreement of purchase and sale dated December 22, 2017 (the "**Golf Course Lands APS**"), Rockland Estates Inc. ("**Rockland**"), a company controlled by Chetti, acquired the Golf Course Lands from Southridge Vistas Inc. The Receiver understands that the purchase price attributable to this transaction was approximately $4.7 million, of which, approximately $2.5 million was to be funded in cash, with the balance funded via a vendor-take-back ("**VTB**") mortgage as against the Golf Course Lands and the Golf Club chattels; and

b. pursuant to a separate agreement of purchase and sale dated December 22, 2017 (the "**Golf Club Business APS**"), Rockland acquired the Golf Club business assets from Woodington Lake Golf Club Inc. The Receiver understands that the purchase price attributable to this transaction was approximately $15.6 million, of which, approximately $4.5 million was to be funded in cash, with the balance funded via a VTB as against the Golf Course Lands and the Golf Club chattels. As noted in the Golf Club Business APS, the assets acquired were the (i) golf course development, buildings and parking and (ii) golf course equipment (including golf carts and irrigation), furniture, computer and clubhouse equipment.

19. The Receiver understands that there were a series of amendments to the Golf Course Lands APS and Golf Club Business APS which indicate that, among other things, the closing date was extended

to January 11, 2019, additional deposit payments were made, and the collective cash purchase price was increased to $8.5 million.

20. Copies of the Golf Course Lands APS and the Golf Club Business APS are attached hereto as **Appendix "D"** and **Appendix "E"**, respectively. A copy of the amending agreement evidencing the increase to the collective purchase price and additional deposit amounts is attached hereto as **Appendix "F"**.

21. Pursuant to an assignment agreement dated January 11, 2019 (the "**Assignment Agreement**"), Rockland assigned the Golf Course Lands APS to the Company and the Golf Club Business APS to WMI. A copy of the Assignment Agreement is attached hereto as **Appendix "G"**.

22. According to the Chetti Affidavit, the Golf Club is presently owned and operated by 785 and has been since approximately December 12, 2023, the day it was incorporated.

23. Chetti is the sole director of WMI. Frances Chetti, the spouse of Chetti, is the sole director of 785.

24. The Receiver was provided with a copy of a lease agreement entered into on December 15, 2023 between the Company, as landlord, and 785, as tenant (the "**Lease**"), for the use of the Golf Course Lands to operate the Golf Club, including ancillary activities related to the Golf Club operations. The Receiver's findings and observations regarding the Lease, a copy of which is attached hereto as **Appendix "H",** are discussed below.

**Secured Creditors**

**Eisen**

25. As noted in the First Eisen Affidavit, Eisen made a syndicated loan to the Company in the amount of $11.5 million on January 9, 2019 (the "**Eisen Loan**"). Participants in the syndicated Eisen Loan included, among other parties, Windsor Private Capital Limited Partnership and Windsor II Limited Partnership ("**WLP**"), which collectively advanced approximately $10.5 million towards the Eisen Loan. As further noted in the First Eisen Affidavit, the Eisen Loan is one of several syndicated loans that Eisen has provided to entities owned and/or controlled by Chetti over several years.

26. The term of the Eisen Loan was for one year, with a maturity date of March 1, 2020. The Receiver understands the Eisen Loan was to be used by the Company for various purposes, including (i) to purchase the Golf Course Lands, (ii) to fund improvements to the Golf Club and (iii) to provide additional working capital to the Company.

27. As of November 29, 2024, the amount owing under the Eisen Loan, for principal, interest and costs, which continue to accrue, was approximately $12.3 million.

28. To secure the advances made under the Eisen Loan, the Company granted the following security (collectively, the "**Eisen Security**") in favour of Eisen: (i) a charge/mortgage in the principal amount

of $11.5 million on title to the Golf Course Lands (the "**Eisen Mortgage**") and (ii) an assignment of rents.

29. In addition to the Eisen Security, each of Chetti, Elena Salvatore (the Receiver understands Ms. Salvatore is the spouse of Chetti's business partner in respect of the Highway 27 Property, as defined below) and WMI (collectively, the "**Guarantors**") jointly and severally guaranteed the Company's obligations under the Eisen Mortgage (the "**Guarantee**").

**Goldy**

30. Pursuant to a Commitment Letter dated July 24, 2019, Goldy made a loan to the Company in the principal amount of $5.5 million (the "**Goldy Loan**"). The term for the Goldy Loan was also for one year, with a maturity date of August 12, 2020.

31. The Receiver understands that, to secure the Company's obligations under the Goldy Loan, the Company granted the following security (collectively, the "**Goldy Security**") in favour of Goldy: (i) a charge/mortgage in the principal amount of $5.5 million on title to the Golf Course Lands (the "**Goldy Mortgage**" and collectively with the Eisen Mortgage, the "**Mortgages**"), (ii) an assignment of rents and (iii) a general security agreement over all contracts, chattels fixtures and leasehold improvements located at or upon or relating to the Golf Course Lands. In addition, Chetti personally guaranteed the payment of all amounts owing by the Company under the Goldy Mortgage.

32. The Receiver further understands that, as at November 29, 2024, the amount owing in respect of the Goldy Loan, for principal, interest and costs, which continue to accrue, was approximately $6.3 million.

**Other Creditors**

33. In addition to the registrations made pursuant to the Eisen Loan and the Goldy Loan, the Receiver is aware of the following encumbrances on title to the Golf Course Lands:

    a. a charge/mortgage in favour of Eisen and WLP in the principal amount of $5.0 million, as security for an advance under a loan made by Eisen and WLP to another entity controlled by Chetti that owns lands and premises municipally known as 11720 Highway 27, Vaughan, Ontario (the "**Highway 27 Property**");

    b. a tax certificate by The Corporation of the Town of New Tecumseth (the "**Town**") in respect of unpaid property taxes on the Golf Course Lands. The Receiver was provided with a statement of account from the Town's counsel, which indicates that, as at January 20, 2025, approximately $225,000 is owing to the Town in respect of property taxes; and

    c. a construction lien registered by Sylvio Construction Co. Ltd. in the amount of approximately $1.5 million.

34. As the Company does not maintain financial records and has not filed a tax return since 2018 (as discussed below), it is unknown to the Receiver whether the Company has obligations in addition to those noted above.

**Events Leading to the Receivership Application and Receivership Order**

35. As discussed in the First Eisen Affidavit and the First Goldy Affidavit, neither of the Eisen Loan or Goldy Loan were repaid on their respective maturity dates. However, the Receiver understands that no enforcement steps were taken as the Company continued to make interest payments to Eisen and Goldy through to October 2023 and June 2023, respectively. Further, as it relates to the Eisen Loan, it was represented by Chetti and understood by Eisen and WLP that the Eisen Loan would be repaid upon closing of the sale of certain other lands owned by Chetti subject to an executed agreement of purchase and sale (further details are provided in paragraph 43(f) below).

36. Following a missed interest payment in June 2023, Goldy, through its counsel, issued formal demand for repayment of the Goldy Loan by August 12, 2023. As the Company failed to cure the defaults under the Goldy Loan, on August 9, 2023, Goldy initiated power of sale proceedings (the "**Goldy Power of Sale Proceedings**") for the sale of the Golf Course Lands unless the full indebtedness under the Goldy Loan was repaid by September 18, 2023. After negotiations among Goldy, Chetti and their respective counsel, Goldy agreed to forbear from continuing the Goldy Power of Sale Proceedings, subject to certain terms and conditions, including payment of outstanding interest for the months of July to October, 2023. While these payments were made, the monthly interest for November 2023 and December 2023 were not and, accordingly, Goldy arranged for the Golf Course Lands to be listed for sale on December 29, 2023.

37. As discussed in the First Goldy Affidavit, in January 2024, an offer to purchase the Golf Course Lands from a company controlled by Chetti was accepted by Goldy (the "**Proposed Sale**"). Ultimately, following two failed attempts to close the Proposed Sale due to lack of funding, the Proposed Sale never closed.

38. As further discussed in the First Goldy Affidavit, Goldy extended multiple indulgences to Chetti and the Company after the failure of the Proposed Sale, despite Chetti's repeated broken promises to repay the loan. In the spring of 2024, Goldy demanded payment several times, receiving assurances from the Company/Chetti that payment was imminent, but, again, no payments were made. On May 16, 2024, Chetti signed a forbearance agreement committing to a $1,000,000 payment by May 17, 2024, in exchange for Goldy refraining from enforcement actions. However, this payment deadline was missed, and subsequent verbal promises for payment also went unfulfilled. By June 2024, the Company's outstanding indebtedness to Goldy had ballooned to approximately $5.9 million.

39. As discussed in the First Eisen Affidavit, due to similar and continuing defaults under the Eisen Loan, on May 16, 2024, Eisen, through its counsel, issued demands for repayment of the Eisen Loan and

delivered a notice of intention to enforce security under section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA**"). As further discussed in the First Eisen Affidavit, on the same date, Chaitons, on behalf of Eisen, demanded payment from the Guarantors pursuant to the Guarantee.

40. Throughout the summer of 2024, Chetti and the Company delayed enforcement by Eisen and Goldy by claiming to be negotiating various refinancing deals and offering additional collateral to secure the loans (as noted in the First Goldy Affidavit, it was proposed that Chetti would offer his personal residence as additional security in exchange for another forbearance agreement, but neither Chetti nor his wife signed the necessary legal documents). Despite further verbal offers and assurances of forthcoming refinancing proposals, no transactions or repayments materialized. By August 14, 2024, while Goldy received updates on a purported refinancing deal, no actionable steps had been taken.

41. The Receivership Application was commenced by Eisen, as trustee, on August 9, 2024. As noted in the First Goldy Affidavit, Goldy supported the relief sought in the Receivership Application given the Company's continued default in respect of the Goldy Loan. The Receivership Application was initially scheduled to be heard on October 10, 2024. On October 8, 2024, the Receivership Application was adjourned subject to the terms and conditions of the Letter Agreement, to allow the Company further time to pursue refinancing and sale options. Ultimately, the Company failed to satisfy the terms/conditions of the Letter Agreement, including making the agreed upon interest payments. In the circumstances and as set out in the endorsement of Justice Black released on December 2, 2024, a copy of which is attached hereto as **Appendix "I"**, the Court granted the Receivership Order.

## V. INITIAL FINDINGS AND OBSERVATIONS OF THE RECEIVER

42. Since the Filing Date, the Receiver has been working to obtain information regarding the affairs and operations of the Company in order to perform its Court-ordered mandate and prepare for the Sale Process. While certain of this information has been obtained/provided (in many cases, from third-party sources), significant portions remain outstanding, which has led to additional questions and concerns for the Receiver.

43. An overview of the Receiver's initial findings and observations since the Filing Date is provided as follows:

    a. **Company Financial and Tax Records** – the Receiver understands from discussions with Chetti that the Company does not maintain an accounting system or internal financial records. According to Chetti, historically, financial statements of the Company were prepared by an external accountant, David Fine of RSP LLP ("**RSP**"), who passed away in 2022, and the Company has not retained a new accountant. The Receiver contacted RSP to request copies of any historical financial statements of the Company, however RSP has responded that they have no such records at their office (RSP advised that they will check their off-site storage to

confirm if any Company records are maintained there. The Receiver does not have an update in this regard as of the date of the First Report).

Additionally, on/about January 3, 2025, the Receiver attended a call with a representative from CRA for the purpose of requesting copies of the Company's tax returns for the fiscal years 2019 to 2023. The Receiver initially made this request to the Company, but no information was received. On the call, the Receiver was advised by the CRA representative that the Company has not filed a tax return (corporate, HST or otherwise) since fiscal year 2018, the year prior to it taking assignment of the Golf Course Lands. The Receiver is investigating this matter to determine what amounts, if any, may be owing to CRA;

b. **Acquisition of the Golf Course Lands and the Golf Club** – as noted above, the Golf Course Lands and Golf Club were acquired by entities controlled by Chetti pursuant to the Golf Course Lands APS and the Golf Club Business APS, respectively, and subsequently assigned to the Company and WMI, respectively, on January 11, 2019, pursuant to the Assignment Agreement. The Receiver notes that the Golf Club Business APS provides for a purchase price of approximately $15.6 million, of which, approximately $9.4 million is allocated to the Clubhouse. The Receiver further notes that, despite making requests of the Company, it has not been provided nor is it aware of any lease or other agreement entered into at the time of acquisition or otherwise between WMI and the Company with respect to the use of the Golf Course Lands;

c. **Conveyance of WMI assets to 785** – as discussed above and in the Chetti Affidavit, Chetti represents that, since December 12, 2023, the Golf Club has been owned and operated by 785. The Receiver has requested a copy(ies) of the agreement(s) supporting the transfer/conveyance of the Golf Club assets from WMI to 785 to, among other things, confirm the purpose and validity of the transaction, as well as to confirm what consideration, if any, was exchanged. As of the date of this First Report, the Receiver has not received a response. As WMI guaranteed the obligations of the Company in respect of the Eisen Mortgage, it raises the question of whether the transfer/conveyance gives rise to a fraudulent preference or challengeable transaction. It is also noteworthy that the transfer or conveyance appears to have occurred following initiation of the Goldy Power of Sale Proceedings and nearly two-weeks prior to the Golf Course Lands being listed for sale in connection therewith;

d. **The Lease** – the Receiver notes the following in connection with the Lease:

   i. the Lease indicates that it was entered into on December 15, 2023, and was signed on the same date. Chetti signed the Lease on behalf of both the landlord (the Company), as "owner", and on behalf the tenant (785), as "A.S.O." (authorized signing officer). As noted above, Frances Chetti (Chetti's spouse) is the sole director of 785;

ii. the Lease provides, among other things, a 10-year term commencing on April 2, 2020 (notwithstanding that the lease was entered into nearly three years later and with 785, which entity did not exist at the commencement of the lease term – as noted above, 785 was incorporated on December 12, 2023), with a rent-free period for the first five years of the term, and monthly rent of $10,000 thereafter. The rent payable under the Lease is, therefore, insufficient to provide the Company with funding to satisfy its ongoing obligations, including interest on the Mortgages and property taxes;

iii. the Lease also provides that, within the first five (5) years of the Lease term, 785 is to invest $4.0 million towards renovating and enhancing the Golf Course Lands, Clubhouse and other property infrastructure. The Chetti Affidavit notes that, following a slip-and-fall incident at the Golf Club, close to $4.0 million was spent to renovate certain parts of the Golf Club (and specifically, the rear portion). Despite making enquiries, the Receiver has not received any documentation to substantiate these costs, including the source and beneficiary of the alleged funds spent;

iv. despite enquiries made by the Receiver, the Receiver has no information regarding who created/drafted the Lease or whether there was legal counsel involved;

v. the Receiver understands that neither Eisen nor Goldy provided their consent to the Company prior to it entering into the Lease (as noted above, each of the Eisen Security and Goldy Security include an assignment of rents); and

vi. the Receiver has requested a copy of any agreement in place prior to December 15, 2023 governing the arrangement between the Company and WMI for the use of the Golf Course Lands. The Receiver has not received a response to this request.

In consideration of the foregoing, the Receiver has reasonable concerns as to the validity of the Lease, the intent with which it was entered into and its potential impact on the proposed Sale Process. As such, the Receiver seeks a finding that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company. In the alternative, and given the absence of the consent of Eisen and Goldy, the Receiver seeks a finding that the Lease is void and unenforceable pursuant to the oppression remedy, insofar as the execution of such disregarded the reasonable interests and expectations of Eisen and Goldy (i) under the Eisen Loan and the Goldy Loan, respectively, and (ii) as secured mortgagees registered on title to the Golf Course Lands;

e. **WMI Financial Statements** – the Receiver obtained copies of unaudited financial statements for WMI for the fiscal years ended December 31, 2022 (the "**2022 Statements**") and December 31, 2023 (the "**2023 Statements**" and collectively with the 2022 Statements, the "**WMI Statements**"). The WMI Statements, copies of which are attached hereto as **Appendix "J"**,

were provided to the Receiver by Barry Kerbel ("**Kerbel**"), a realtor and individual who purports to have a historical business relationship with Chetti (as noted in the First Goldy Affidavit, Kerbel acted as an intermediary between Goldy and Chetti in connection with a potential refinancing transaction for the Golf Course Lands). The Receiver notes the following with respect to the WMI Statements:

i. the Receiver identified certain irregularities regarding the WMI Statements' balance sheets, particularly as it relates to the recording of a land asset (WMI is not the owner of the Golf Course Lands). The notes to the 2022 Statements indicate that the property, plant and equipment ("**PPE**") assets, which are recorded on the balance sheet at approximately $20.4 million (cost value), include approximately $6.5 million related to land. Further, the 2023 Statements record PPE of approximately $24.2 million (cost value), indicating that the cost basis of PPE assets increased year-over-year by approximately $3.8 million. As there are no notes to the 2023 Statements, it is unknown what assets comprise the FY2023 recorded balance or what the increase in the cost value of PPE relates to. On a call between the Receiver and Chetti on January 7, 2025 (the "**January 7 Call**"), Chetti advised the Receiver that the WMI Statements were prepared on a basis that "combined" the assets and operations of the Company and WMI, notwithstanding that they are two separate legal entities, do not have parent-subsidiary relationship and do not share a common parent;

ii. the 2022 Statements include a signed Compilation Engagement Report (the "**Notice to Reader**") dated October 11, 2024, indicating that they were compiled by Lamin Omar Dibba ("**Dibba**"), a chartered professional accountant ("**CPA**"), from information provided by management of the Company. The Receiver performed a search of Dibba's name on the Chartered Professional Accountants of Ontario website, which indicated he is a sole practitioner and a member in good standing;

iii. on December 30, 2024, the Receiver attended two calls with Dibba to discuss the 2022 Statements (a copy of the 2022 Statements were also sent to Dibba). During those calls, Dibba advised the Receiver that he (i) did not compile/prepare the 2022 Statements, (ii) had no knowledge of WMI, 785, Chetti or the 2022 Statements and (iii) did not recall ever having a client or otherwise compiling financial statements for a company that owns or operates a golf course. Additionally, after having reviewed the 2022 Statements, Dibba advised that the Notice to Reader was not prepared on his letterhead and the statements were not prepared in the format he uses for his clients;

iv. the Receiver attended a call with Kerbel on January 4, 2025 (the "**January 4 Call**") to query, among other things, if he knew who prepared the 2022 Statements, given the representations of Dibba. Kerbel advised that they were prepared by another individual,

Marvin Winick ("**Winick**"), a former licensed chartered accountant, who was expelled from membership of the Canadian Institute of Chartered Accountants (as it was then known) in the early-1990s. Kerbel further advised that it was his understanding that Winick has an arrangement with Dibba whereby Winick prepares compilation financial statements and pays a fee to Dibba to include Dibba's name and signature on the accompanying notice to reader/compilation engagement report;

v. following the January 4 Call, the Receiver attended a further call with Dibba on January 6, 2025. On the call, Dibba advised that he did not know of either Kerbel or Winick and denied any claims of an arrangement with Winick as represented by Kerbel;

vi. on the January 7 Call, the Receiver and Chetti discussed, among other things, the 2022 Statements and the Receiver's prior discussions with Kerbel and Dibba. During the call, the Receiver queried Chetti regarding the preparer of the WMI Statements and the purpose and timing of their preparation (October 2024 – nearly one year and two years following the applicable periods and with the lingering Receivership Application). In response, Chetti advised that the statements were prepared by Winick. When questioned about the Notice to Reader, including as it relates to the conflicting representations of Dibba and Winick, Chetti advised that the Receiver should reach out to Winick. When questioned about the purpose/timing of the statements, Chetti advised that they were prepared to seek take-out financing in respect of the Mortgages;

vii. on January 8, 2025, the Receiver attended a call with Winick. On the call, Winick advised that he was first introduced to Chetti in 2024, that he prepared both the 2022 Statements and the 2023 Statements, and that the purported arrangement with Dibba was true, including that Winick pays a fee to Dibba to include his name on the statements and the statements were prepared based on information provided by WMI. Winick further advised that he did not perform any assurance procedures on the financial information provided and could not speak to their accuracy;

viii. on January 24, 2025, Dibba forwarded to the Receiver a copy of an email he sent to CPA Ontario, reporting, among other things, the use of his name and signature on the 2022 Statements without his knowledge or consent, that WMI is not one of his clients and that the 2022 Statements were not prepared by him.

In consideration of the foregoing, the Receiver cautions against placing reliability on the WMI Statements. This is of particular concern given the proposed Sale Process and the need for interested parties to perform proper diligence on the Golf Club and its historical financial position and operations/results;

f. **Torca Transaction and Use of Proceeds** – as discussed in the Affidavits, Chetti controls two companies that own lands adjacent to the Golf Course Lands, and which are purportedly subject to an agreement of purchase and sale (the "**Torca Transaction**") with Torca Tottenham Corp. ("**Torca**"), a land developer that Chetti represents owns 1,000 acres of land in the adjacent areas. As represented in the Chetti Affidavit, the proceeds from the Torca Transaction would provide sufficient residual value to fund the repayment of both the Eisen Mortgage and the Goldy Mortgage. During a meeting between the Receiver and Chetti on December 11, 2024, Chetti represented to the Receiver that the Torca Transaction was expected to generate net sale proceeds ranging from $25 million to $30 million.

As discussed above, the Receivership Application was adjourned subject to certain terms and conditions agreed among Eisen, Goldy and Chetti, as formalized in the Letter Agreement. Included in these terms and conditions was the agreement to repay the Mortgages, among other obligations, from the net sale proceeds of the Torca Transaction. It was further agreed that Chetti would execute an acknowledgement re: direction and direction re: funds (the "**Torca Acknowledgement and Direction**"), directing payment of the applicable net sale proceeds of the Torca Transaction, for the benefit of Goldy and Eisen.

On December 4, 2024, during a call among the Receiver, its counsel and Blaney (counsel to Chetti), Blaney informed the Receiver that the Torca Transaction, the closing of which had already been delayed several years (as noted in the Receivership Application), was expected to close on December 12, 2024. Blaney also provided the Receiver with a letter from Torca (which was addressed to Blaney) confirming same.

On December 6, 2024, the Receiver emailed Blaney to, among other things, ask that Chetti sign the Torca Acknowledgement and Direction and return same to the Receiver (the "**Receiver's December 6 Email**"). A copy of the Receiver's December 6 Email, which attached a copy of the Torca Acknowledgement and Direction, is attached hereto as **Appendix "K"**. On December 9, 2024, Blaney wrote to the Receiver (the "**December 9 Blaney Email**") advising that it had spoken with Chetti and that Chetti would sign and send the Torca Acknowledgement and Direction later that evening. A copy of the December 9 Blaney Email is attached hereto as **Appendix "L"**. On December 10, 2024, Blaney again wrote to the Receiver (the "**December 10 Blaney Email**") to advise that, due to a drafting error identified, the signed document would hopefully be sent by the afternoon of December 10, 2024. A copy of the December 10 Blaney Email is attached hereto as **Appendix "M"**. A revised, unsigned version of the Torca Acknowledgement and Direction was sent by Blaney to the Receiver and Chetti later on December 10, 2024. A fully executed version was never sent to the Receiver.

On December 11, 2024, the Receiver attended at the Golf Club to meet with Chetti. During the meeting, Chetti informed the Receiver that the Torca Transaction would not be closing on

December 12, 2024, as previously represented, and Chetti would not sign the Torca Acknowledgement and Direction. Chetti did, however, reiterate to the Receiver of his intention to use the net sale proceeds from the Torca Transaction to repay the Mortgages.

On December 17, 2024, the Receiver received an unsolicited call from Kerbel. Among other things, Kerbel alleged that the net sale proceeds from the Torca Transaction would not be used to repay the Mortgages as (i) Chetti had already signed an irrevocable letter of direction setting out that the Torca Transaction net sale proceeds were to be used to repay loans other than the Mortgages (the "**Alleged Direction**"), and (ii) in any event, there would be insufficient net sale proceeds from the Torca Transaction to satisfy the obligations under the Mortgages (which conflicts with Chetti's representation to the Receiver that the net sale proceeds expected to range from $25 million to $30 million).

During the January 7 Call (between the Receiver and Chetti), Chetti denied Kerbel's allegations that he signed the Alleged Direction and represented that he had not entered into any agreement directing funds form the Torca Transaction;

g. **Potential Plazacorp Refinancing** – on the January 7 Call and as reiterated in an email from Blaney to A&B dated January 8, 2025 (the "**January 8 Blaney Email**"), the Receiver was informed of a potential refinancing commitment from Plazacorp, a large, reputable land investor and developer, that would provide take-out financing in respect of the Mortgages (the "**Potential Plazacorp Refinancing**"). A copy of the January 8 Blaney Email is attached hereto as **Appendix "N"**. This financing was, as represented to the Receiver by Chetti, expected to close within two-weeks from the January 7 Call. Chetti also advised the Receiver on the January 7 Call that he expected to provide a letter of intent ("**LOI**") within 48 hours. On January 22, 2025, the Receiver, which had not received an update on the Potential Plazacorp Refinancing since the January 8 Email, attended a call with Chetti to discuss, among other things, the status of the Potential Plazacorp Refinancing. On the call, Chetti advised the Receiver that the Potential Plazacorp Refinancing was still being pursued and was expected to close. As of the date of this First Report and despite requests of the Receiver, the Receiver has not been provided with a LOI, term-sheet or other supporting document to substantiate the representations made in connection with the Potential Plazacorp Refinancing;

h. **Insurance** – on January 22, 2025, Goodmans (counsel to Goldy) sent the Receiver a copy of a notice of insurance policy termination (the "**Insurance Termination Notice**") issued to WMI, stating that, among other things, the policy, which the Receiver understands provides various coverage to insure the Golf Club and its operations, will be cancelled on January 23, 2025 for non-payment of an outstanding premium (the amount of the outstanding premium is not noted in the Insurance Termination Notice). Following receipt of the Insurance Termination Notice, a copy of which is attached hereto as **Appendix "O"**, the Receiver emailed same to Chetti. Later

that day, the Receiver attended a call with Chetti, whereby Chetti advised that he would pay the outstanding premiums the next day and provide proof of payment to the Receiver. Early in the morning on January 23, 2025, A&B emailed Blaney (the "**January 23 A&B Email**") to, among other things, provide a copy of the Insurance Termination Notice and note that Chetti advised the Receiver that payment of the outstanding premium would be made tomorrow (as the email was sent at 2:48 a.m., "tomorrow" was intended to mean January 23, 2025). A copy of the January 23 A&B Email is attached hereto as **Appendix "P"**. The Receiver followed up with Chetti via email and phone calls on January 23, 2025 to request confirmation that the outstanding premiums were paid, however, no response was provided that day. A further follow up was sent by the Receiver on January 27, 2025. This time, Chetti responded and advised, among other things, that he was working with his broker to find a less expensive policy and that it should be "done this week". A copy of the email exchange between the Receiver and Chetti is attached hereto as **Appendix "Q"**; and

i. **Unsatisfied Information Request** – as noted in the January 23 A&B Email, the scheduling hearing before the Court on January 16, 2025 (the "**Scheduling Hearing**"), for the purpose of setting a timetable for the procedural steps in connection with the March 6, 2025 hearing of the within motion, contemplated the provision of all requested information, to the extent Chetti had such, by January 17, 2025. The Receiver notes that no documents have been received from Chetti in that regard.

**Request for Information/Documentation**

44. In light of all the foregoing and to enable the Receiver to facilitate the Sale Process and execute on its Court-ordered mandate, the Receiver seeks in the proposed Sale Process and Ancillary Relief Order the production of the following information/documentation:

a. copies of any historical financial statements, internal or external, in respect of the Company;

b. copies of any environmental reports in respect of the Golf Course Lands (including, but not limited to, environmental site assessment reports, geotechnical reports and/or soil studies);

c. a copy of any agreement between WMI and the Company setting out the arrangement for the use of the Golf Course Lands;

d. a full copy of the WMI and 785 accounting system, including general ledgers and subledgers for all financial accounts;

e. copies of WMI and 785 monthly bank statements for the 24-month period preceding December 2024;

f. copies of supporting documents (including purchase orders, invoices, cancelled cheques, and other documents as may be requested) evidencing the use of funds invested by 785 in the Golf

Course Lands in connection with the $4.0 million funding commitment provided under the Lease;

g. a copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of the Golf Club assets;

h. a copy of any letter of intent, term sheet or other document (including correspondence) supporting the Potential Plazacorp Refinancing; and

i. any further information/documentation from any party with knowledge of the affairs of the Company and Chetti that the Receiver may reasonably request in connection and in accordance with its duties and obligations provided in the Receivership Order.

**Authorization to Examine Individuals Under Oath**

45. In addition, the proposed Sale Process and Ancillary Relief Order grants the Receiver the authority to examine, under oath, any individual the Receiver reasonably considers to have knowledge of the affairs of the Company, WMI or 785, including, but not limited to, Chetti. In light of the mixed-messaging and conflicting representations made to the Receiver by Chetti and other individuals regarding the Company and these proceedings, the Receiver is of the view that this relief is reasonable and necessary in the circumstances.

## VI. THE SALE PROCESS

46. The Receiver, in consultation with A&B and legal counsel to each of Eisen and Goldy, developed the proposed Sale Process and Sale Process Procedures, a copy of which is attached hereto as **Appendix "R"**. The proposed Sale Process takes into consideration the nature of the underlying assets, the interest of creditors and stakeholders, and the pending commencement of the 2025 golf season, and is designed to be a broad and flexible process to canvass bids for a sale with a view to maximize value for stakeholders.

**Selection of Realtor**

47. In connection with the Sale Process, the Receiver intends to forthwith commence a process to solicit proposals from realtors to act as listing agent in the Sale Process. The Receiver intends to request that each realtor provide a proposal setting out each firm's experience selling golf courses, land and/or commercial properties in the Greater Toronto Area and Southern Ontario market, a marketing plan, an estimate of value and the proposed commission structure.

48. It is the intention of the Receiver to provide further details regarding the selection of a realtor in a subsequent report to the Court.

**The Sale Process**

49. The timeline and key attributes of the Sale Process are as follows (readers are cautioned to carefully read the Sale Process Procedures as the following is summary in nature as to avoid duplication):

a. the Sale Process contemplates the following timelines:

| Milestone | Targeted Deadline |
|---|---|
| Anticipated Commencement Date | March 6, 2025 |
| Distribution of Sale Process Materials (i.e., Teaser Letter, NDA, etc.) | March 6, 2025, or as soon as reasonably practicable following this date |
| Bid Deadline | April 21, 2025 |
| Sale Approval Motion | Week of May 5, 2025, depending on Court availability |
| Closing of Transaction(s) | 30 days after the date of the Sale Approval Order or such other date as the parties may agree |

b. as soon as reasonably practicable following the issuance of the Sale Process and Ancillary Relief Order, if granted, the Receiver, in consultation with any realtor or other advisor retained by the Receiver in connection with the Sale Process, will:

i. with input from 785 and WMI, prepare a list of parties who may be interested in engaging in a Transaction in respect of the Property (the "**Known Potential Bidders**");

ii. prepare and deliver to the Known Potential Bidders a non-confidential initial offer summary document ("**Teaser Letter**") describing the opportunity in respect of the Property;

iii. publish a notice advertising the Sale Process in a national publication and/or such other publications as the Receiver may deem appropriate or advisable; and

iv. post the Sale Process and Ancillary Relief Order, including the Sale Process Procedures and other relevant materials, on the Case Website;

c. any party interested in participating in the Sale Process (a "**Potential Bidder**") is required to inform the Receiver in writing of such and execute a non-disclosure agreement ("**NDA**") to gain access to an electronic data room (the "**Data Room**") maintained by the Receiver, containing confidential information about the Property. Such information will include corporate, financial and other relevant documents provided to the Receiver, together with such other information as any Potential Bidder may request and to which the Receiver has access and may approve;

d. the Receiver will facilitate due diligence efforts by, *inter alia*, maintaining the Data Room, arranging meetings between Company and the Affiliates' management and Potential Bidders and responding to or otherwise dealing with Potential Bidders' enquiries regarding the Property;

e. a Potential Bidder that wishes to make a bid for a Transaction(s) (a "**Bid**"), must do so on an "as is, where is" basis, without surviving representations or warranties, and submit same with the Receiver by no later than **5:00 pm (Toronto time) on April 21, 2025** (the **"Bid Deadline**");

f. to be a "**Qualified Bid**", the Bid must, among other things:

   i. be binding and irrevocable until at least the date that the Winning Bid is selected;

   ii. include a duly authorized and executed Transaction agreement in a form and substance satisfactory to the Receiver, clearly specifying, among other things, the consideration to be paid by the Potential Bidder on closing of the Transaction (the "**Purchase Price**");

   iii. include an allocation of the Purchase Price in respect of the subject Property;

   iv. be accompanied by a deposit in the form of a certified cheque, bank draft or wire transfer of immediately available funds, payable to the Receiver, in trust, which is equal to at least ten percent (10%) of the total consideration payable in respect of the Transaction(s);

   v. include evidence satisfactory to the Receiver of funds available to pay the Purchase Price on closing;

   vi. not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent (save and except for approval by the Court);

   vii. include a description of the Property to be acquired and that which is to be excluded;

   viii. include a description of the liabilities that will be assumed;

   ix. contain the proposed treatment of the Company's and/or the Affiliates' employees (for example, anticipated employment offers and treatment of post-employment benefits);

   x. include written evidence, satisfactory to the Receiver, that the Potential Bidder has the financial means to complete the proposed Transaction, including specific indication of the sources of capital and the structure and financing of the Transaction;

   xi. provide evidence satisfactory to the Receiver that the Potential Bidder has the capacity to close the proposed Transaction on or before the proposed closing date under the Sale Process (i.e. the date that is thirty (30) days from the date of the Sale Process and Ancillary Relief Order or another date that may agreed to between the Receiver and the winning bidder); and

xii. only contemplate an acquisition on a "as is, where is" basis and must include an acknowledgement that the Potential Bidder has relied solely on its own independent review and investigation and that it has not relied on any representation by the Company, 785, WMI or the Receiver, or their respective agents, employees, or advisors;

g. the Receiver may, in its discretion, request revisions or supplementations to any Qualified Bid and/or waive strict compliance with any one or more of the Bid Requirements and deem a non-compliant Bid to be a Qualified Bid. For the avoidance of doubt, if multiple Bids are received, the Receiver has no obligation to exercise its discretion or authority under this provision in respect of all Bids received even if such authority or discretion is exercised by the Receiver in respect of any one Bid received;

**Selection of Winning Bid**

h. the Receiver will review all of the Qualified Bids, and may designate a Qualified Bid in respect of the Property as a "**Winning Bid**", having regard to the factors noted above and such other matters as the Receiver considers relevant; and

i. as soon as practicable after determination of the Winning Bid(s), the Receiver will make a motion to the Court (the "**Sale Approval Motion**") for an approval and vesting order in respect of the Winning Bid(s) and the underlying Transaction agreement.

**Receiver's Recommendation Regarding the Sale Process**

50. The Receiver recommends that this Honourable Court approve the Sale Process and grant the Sale Process and Ancillary Relief Order for the following reasons:

a. in the Receiver's view, the Sale Process, including its terms, procedures and proposed timeline, is reasonable taking into account similar processes in the context of an insolvency proceeding, the underlying assets, and the interests of relevant stakeholders;

b. the Receiver will engage the services of a reputable real estate broker, led by individuals who have experience selling similar properties and other properties subject to insolvency proceedings;

c. the proposed Sale Process is structured to be a fair, open and transparent process intended to canvass the market broadly on an orderly basis;

d. the duration of the Sale Process, while expedited, is sufficient to allow interested parties to perform diligence and submit Bids, while balancing the interests of the Company's secured creditors, as well as to best align with the commencement of the 2025 golf season;

e. past sale efforts while Chetti remained in control of the Golf Club have been unsuccessful;

f. as more described in more detail below, a coordinated, Court-supervised sale process for the Golf Course Lands together with the Golf Club will, in the Receiver's view and based on discussions with an experienced golf course owner and operator, attract greater interest from potential buyers and increase the likelihood of a value-maximizing transaction as compared to selling the Golf Course Lands separately from the Golf Club business; and

g. each of Eisen and Goldy support the Sale Process and the proposed Sale Process and Ancillary Relief Order.

**The Inclusion of the Golf Club in the Sale Process and the Receiver's Limited Appointment**

51. In light of the current circumstances as described herein, and given the inherent overlap and inextricable relationship between the Golf Course Lands and the Golf Club, the Receiver is of the view that it is critical to sell the Golf Club and the Golf Course Lands through a consolidated sale process for the following reasons:

a. a sale of only the Golf Course Lands (without the Golf Club itself) will:

i. significantly diminish or even eliminate the pool of potential purchasers and the expected proceeds received from any sale transaction, given there is no income producing lease in place between the Company and 785; and

ii. create the risk of administrative and operational complications should the Golf Club continue to operate;

b. although there may be development potential in the Golf Course Lands, the Receiver understands that the Golf Course Lands are not zoned for development purposes. Despite potential future development value, any returns to a purchaser of the Golf Course Lands will not be realizable in the near future;

c. the Clubhouse, which represents an important and valuable asset for any potential future owner/operator of the Golf Club, is an immovable structure attached to the Golf Course Lands;

d. the highest value and best use of the assets of the Company, WMI and 785 is to operate such as a golf course;

e. the sale of the Golf Course Lands alone is likely to cause confusion surrounding the purchase price allocation and due diligence process;

f. the Receiver will need a certain level of control over both the Golf Club and the Golf Course Lands, and the ability to convey clearly to the prospective buyers what is being sold and who is selling it; and

g. a consolidated sale process run by the Receiver, with assistance from appropriate advisors, will, in these circumstances, maximize value for stakeholders.

52. In addition, given the conduct of Chetti prior to and during these receivership proceedings, including a pattern of broken promises, retaining an expelled-CPA to prepare financial statements with irregularities for the purpose of soliciting take-out financing, completing a potentially fraudulent transfer/conveyance of assets to a related company, and entering into a lease with questionable commercial terms and without the consent of Eisen and Goldy, the Receiver is of the view that it is reasonable and appropriate in the circumstances that the Court grant the requested relief and appoint AGI as an equitable receiver of WMI and 785, in a limited capacity, solely to facilitate an orderly execution of the Sale Process.

## VII. ACTIVITIES OF THE RECEIVER

53. The Receiver's activities prior to and since the Filing Date have included, among other things, the following:

a. corresponding extensively with A&B, Chaitons and Goodmans, regarding all aspects of the Receiver's mandate;

b. reviewing and commenting on the Receivership Application and Receivership Motion materials and corresponding with Chaitons regarding same;

c. attending at the Golf Club on December 11, 2024 with Chetti to discuss, among other things, matters relating to these receivership proceedings and taking possession of any Company books and records on-site (which were limited);

d. opening a receivership bank account;

e. establishing and maintaining the Case Website;

f. communicating with Chetti and Blaney regarding various matters concerning these receivership proceedings, including, among other matters, the operations of the Golf Club, the relationship between the Company and WMI/785, including any agreements between the parties governing same, the Torca Transaction and Torca Acknowledgement and Direction, the Potential Plazacorp Refinancing, the WMI Statements, the books and records of the Company, and the Insurance Termination Notice;

g. corresponding with Blaney and Chetti in connection with the Receiver's requests for certain books and records and other information/documentation concerning the Company and its affairs;

h. preparing the Notice and Statement of the Receiver pursuant to Section 245(1) and 246(1) of the BIA;

i. corresponding with Chaitons and Goodmans regarding funding of these proceedings in accordance with the Receivership Order. Since the Filing Date, the Receiver has not yet borrowed any funds, but intends to do so in the near term;

j. corresponding with an experienced appraiser in connection with commissioning an appraisal of the Golf Course Lands and Golf Club;

k. corresponding with CRA regarding these proceedings and to request/discuss historical corporate and sales tax returns;

l. corresponding with the Town, including its counsel, regarding property tax arrears on the Golf Course Lands;

m. corresponding with Kerbel regarding the Alleged Direction, the WMI Statements and other matters concerning these proceedings, the Company and Chetti;

n. corresponding with Dibba and Winick regarding the WMI Statements;

o. corresponding with an experienced golf course owner and operator in connection with the proposed Sale Process;

p. corresponding with various parties, including their agents and advisors, that have expressed interest in a transaction to acquire the Golf Course Lands and the Golf Club;

q. reviewing the aide-memoire of the Receiver dated January 15, 2025 and supporting materials, in connection the Scheduling Hearing;

r. attending at Court on January 16, 2025 for the Scheduling Hearing;

s. reviewing the Sale Process Procedures, Sale Process and Ancillary Relief Order and other materials in connection with the within motion;

t. drafting this First Report; and

u. dealing with all other matters pertaining to the administration of this mandate not specifically set out above.

## VIII. RECOMMENDATION AND CONCLUSION

54. Based on all of the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Sale Process and Ancillary Relief Order.

All of which is respectfully submitted this 27th day of January 2025

**ALBERT GELMAN INC.,**
**solely in its capacity as Receiver of**
**Woodington Estates Inc.**
**and not its personal or any other capacity**

Per: Bryan Gelman
Bryan Gelman, *CIRP, LIT*

Per:
Adam Zeldin, *CPA, CA, CIRP, LIT*

# APPENDIX “H”

ALBERT GELMAN

# SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. AS RECEIVER OF WOODINGTON ESTATES INC.

**MAY 13, 2025**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC.**

**Respondent**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER

**MAY 13, 2025**

## I. INTRODUCTION AND PURPOSE

1. This report (the "**Supplementary First Report**") supplements the First Report of Albert Gelman Inc. ("**AGI**") dated January 27, 2025 (the "**First Report**") in its capacity as receiver (in such capacity, the "**Receiver**") of all the assets, undertakings and properties (collectively, the "**Property**") of Woodington Estates Inc. (the "**Company**"), including the real property municipally known as 7110 4th Line, Tottenham, Ontario (the "**Golf Course Lands**"). The Company is the registered owner of the Golf Course Lands, on which is built a golf course including, among other things, two eighteen-hole golf courses and supporting infrastructure known as "Woodington Lake Golf Club" (the "**Golf Club**").

2. The primary purpose of these receivership proceedings is to conduct a coordinated, Court-supervised sale process for the assets over which AGI is appointed as receiver, and to obtain possession of or otherwise review the Company's and other relevant books and records to determine, among other things, ownership of the Golf Club and facilitate realizations to creditors.

3. Capitalized terms not defined in this Supplementary First Report have the meanings given to them in the First Report.

4. Unless otherwise stated, this Supplementary First Report is subject to the scope and terms of reference in the First Report.

5. The Receiver has established a case website at https://www.albertgelman.com/filedocuments/ (the "**Case Website**"), where copies of Court and other materials pertaining to these receivership proceedings are available in electronic form.

### The Receiver's Motion

6. The First Report was filed in support of the Receiver's motion to the Court, initially returnable on March 6, 2025, and subsequently adjourned to April 16, 2025 and again to June 27, 2025 (the "**Receiver's Motion**"), for an Order (the "**Sale Process and Ancillary Relief Order**") and/or a judicial determination, as the case may be, *inter alia*:

   a. appointing AGI as a limited equitable receiver, without security, of all the assets, undertakings and properties of Woodington Management Inc. and 1000736785 Ontario Limited (collectively, the "**Affiliates**"), for the purpose of marketing and selling the Affiliates' assets with those of the Company in order to facilitate the orderly execution of the Sale Process, encompassing both the Golf Course Lands and the Golf Club, sold together to maximize realization, among other things;

   b. approving the amended Sale Process, including the Sale Process procedures, attached as Schedule "A" to the Sale Process and Ancillary Relief Order, and authorizing the Receiver to conduct the Sale Process;

c. that the sale of the Golf Course Lands shall take place free and clear of any encumbrances, including the Lease (as defined in the First Report), other than expressly permitted encumbrances;

d. that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company or, in the alternative, that the Lease disregarded the reasonable interests and expectations of the Applicant and Goldy as secured mortgagees, constituting oppressive conduct, and is void and unenforceable as against the Applicant and Goldy;

e. if the relief in 6(d) above is sought in a separate application, that such application be heard contemporaneously with the Receiver's Motion;

f. compelling certain disclosure to the Receiver;

g. authorizing the Receiver to examine certain individuals in connection with these proceedings; and

h. approving the First Report and the actions, activities and conduct of the Receiver described in the First Report. A copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.

7. In/around late February 2025, leading up to the original scheduling of the Receiver's Motion on March 6, 2025, the Receiver, the Company, Eisen and Goldy (and their respective counsel) were actively engaged in discussions/negotiations regarding a cooperative sale process arrangement, the agreement of which would render a significant portion of the Receiver's Motion moot. In light of the foregoing and in the spirit of working towards a consensual deal, the parties agreed to adjourn the hearing of the Receiver's Motion to April 16, 2025.

8. As discussed below, while discussions/negotiations ensued, a deal did not materialize. Consequently, and given that the previously contemplated schedule for the delivery of materials and cross-examinations could no longer be met, the parties agreed to establish a new timetable for litigating the Receiver's Motion. At a case conference before the Court held on April 2, 2025 (the "**April 2 Case Conference**"), Justice Steele issued an endorsement (the "**April 2 Endorsement**"), *inter alia*, (i) scheduling a full-day hearing before Justice Black on June 27, 2025 (the "**June 27 Hearing**") for the purpose of hearing the Receiver's Motion and (ii) setting a schedule for the delivery of materials and dates for cross-examinations in connection with the June 27 Hearing. A copy of the April 2 Endorsement is attached hereto as **Appendix "B"**.

**Purposes of the Supplementary First Report**

9. The purpose of this Supplementary First Report is to provide the Court with:

a. an update regarding security granted by WMI in favour of Eisen, which was brought to the Receiver's attention on May 9, 2025, and the impact of same on the Receiver's Motion;

b. an update on other matters concerning these receivership proceedings since the date of the First Report;

c. background information pertaining to the relief regarding an increase in the Receiver's Borrowing Limit (as defined below) from $250,000 to $650,000; and

d. information pertaining to the Receiver's request for additional relief, *inter alia*:

   i. sealing the confidential appendices to the Supplementary First Report, until the closing of any transaction resulting from the Sale Process or further order of the Court; and

   ii. approving the Receiver's interim statement of receipts and disbursements, as described in this Supplementary First Report.

## II. SECURITY OVER WMI

10. As noted in the First Report, the Receiver was appointed pursuant to an application made by Eisen, in connection with the Eisen Mortgage and underlying security granted by the Company over the Property, including the Golf Course Lands. The Receiver had understood, prior to the date of its appointment and in the period that has elapsed since, that Eisen did not hold security over the assets of WMI.

11. However, on May 9, 2025, the Receiver was advised by Eisen's counsel, Chaitons LLP ("**Chaitons**"), that a general security agreement (the "**WMI GSA**") had been executed on January 4, 2019, between Eisen and WMI. The Receiver understands that the WMI GSA purports to secure all the assets, property and undertakings of WMI in favour of Eisen.

12. While the Receiver has discussed the WMI GSA with Chaitons, as of the date of this Supplementary First Report, neither the Receiver nor its independent legal counsel has yet had the opportunity to substantively review the WMI GSA or form any conclusions as to its validity and enforceability.

13. The Receiver understands that Eisen will bring a motion before the Court seeking the appointment of a receiver over WMI and 785 pursuant to, among other things, its rights under the WMI GSA (the "**May 2025 Eisen Motion**"). In light of this development, the Receiver's Motion, which sought, among other things, an equitable receivership appointment over WMI and 785, may no longer be required in the form in which the relief was originally filed. The Receiver has thus, on the assumption that the May 2025 Eisen Motion will be filed, updated and amended the relief sought in the Receiver's Motion accordingly and intends to provide the Court with further information in a subsequent report at the appropriate time, if necessary.

## III. UPDATE ON OTHER MATTERS SINCE THE FIRST REPORT

### The February 2025 Eisen Motion

14. On February 10, 2025, Eisen (the first and third mortgagee on the Golf Course Lands) served a notice of motion (the "**February 2025 Eisen Motion**") in support of the Receiver's Motion and seeking an order from the Court that the business and assets of the Golf Club be included in the Sale Process. A copy of the February 2025 Eisen Motion is attached hereto as **Appendix "C"**. The February 2025 Eisen Motion was also filed to, amongst other things, address a potential jurisdictional concern raised by Joseph Chetti ("**Chetti**") and the Company's counsel arising in respect of the relief sought in the Receiver's Motion. While the Receiver has always been of the view that such concern is without merit, the Receiver believes that such concern is nevertheless addressed by the May 2025 Eisen Motion.

### Responding Motion Record

15. On February 21, 2025, the Company served a motion record in response to the Receiver's Motion (the "**Responding Motion Record**"), within which Chetti filed a further affidavit sworn February 19, 2025 (the "**Second Chetti Affidavit**"). Among other things, the Responding Motion Record opposes the relief sought in the Receiver's Motion as it relates to the Sale Process and AGI's previously proposed limited receivership appointment over WMI and 785.

16. Based on its review, the Receiver notes the following with respect to the Second Chetti Affidavit:

    a. **Inaccuracies regarding AGI's proposed appointment as equitable receiver** – the Second Chetti Affidavit mischaracterizes both the Receiver's intentions regarding its mandate and contemplated powers under the proposed equitable receivership. While this relief is now alternative to that contained in the May 2025 Eisen Motion, the Receiver notes the following:

        i. the appointment of AGI as equitable receiver over WMI and 785, if needed, is solely intended to support the orderly execution of the Sale Process. It was neither contemplated nor intended that AGI would take possession of WMI's or 785's property, or be responsible for, or interfere with the operations of the Golf Club. The intended scope of the equitable receivership, if sought, is limited explicitly by the multiple carve outs to AGI's proposed appointment in the Sale Process and Ancillary Relief Order contained in the Receiver's motion record dated January 27, 2025;

        ii. additionally, the assertion that the existing lending group would be unwilling to fund Golf Club operations during the Sale Process is inaccurate. While debtor-in-possession financing terms were not formalized, the Receiver was advised through discussions with Eisen and WLP that there was interest in providing such funding—subject to

conditions, including the Court granting the Receiver's requested relief and the establishment of an acceptable cash flow monitoring protocol;

iii. for added clarity and as more fully discussed in the First Report, a coordinated, Court-supervised sale process for the Golf Course Lands together with the Golf Club will, in the Receiver's view, and based on discussions with an experienced golf course owner and operator, attract greater interest from potential buyers and increase the likelihood of a value-maximizing transaction as compared to selling the Golf Course Lands separately from the Golf Club business. It appears that Chetti and the Company share this view. In the Second Chetti Affidavit, there is reference to a November 24, 2024 unsworn affidavit of Chetti which states, "In my opinion, it would be difficult to get sufficient value to repay the lenders if one were to attempt to sell the land without selling the golf course that operates on it". This shared understanding formed the basis for efforts to reach an agreement on a cooperative sale process. Although those negotiations ultimately broke down, the underlying rationale remains unchanged: a joint sale of the Golf Course Lands and Golf Club represents the most effective path forward—one which, along with all the facts at hand, underpins the Receiver's request for relief;

b. **Involvement of Chetti, WMI and 785 in the Sale Process** – the Second Chetti Affidavit misrepresents the Receiver's intentions to involve Chetti, WMI and 785 in the Sale Process proposed in the motion record dated January 27, 2025. The Receiver has already communicated to Chetti its intended process for selecting a listing agent (including the realtors from whom proposals will be solicited, which Chetti did not oppose), and the Receiver retains discretion to consult with any parties it deems appropriate in marketing and selling the Property, including Chetti, WMI and 785, subject to any decision on any of their part to participate in the process as a prospective purchaser. As discussed further herein, the Receiver was open to jointly developing a cooperative sale process and, together with A&B, invested significant time negotiating a consensual sale process agreement;

c. **The Lease** – the Second Chetti Affidavit states that the Lease terms are commercially unusual, claiming that 785 was granted unrestricted use of the Golf Course Lands to operate the Golf Club without paying rent for four years, followed by a reduced rent thereafter. It further suggests that these terms were deliberately structured to eliminate a commercial lease expense and reduce the financial support Chetti would otherwise have had to provide to WMI and 785. However, it remains unclear to the Receiver how the Company was expected to meet its ongoing obligations to its lenders (including principal and interest payments) and other creditors (such as The Corporation of the Town of New Tecumseth (the "**Town**") for property taxes, which obligation has ballooned to more than $225,000) in the absence of rental income.

The Lease was also said to be conditional on 785 investing $4.0 million to be used towards improvements to the Golf Course Lands—an investment Chetti claims was more beneficial than having WMI or 785 pay ongoing rent to the Company. Notwithstanding the Receiver's repeated requests, to date, Chetti has also failed to provide the Receiver with any evidence that the purported $4.0 million investment was actually made or what improvements resulted from same.

The Receiver notes that the Second Chetti Affidavit fails to address the curious timing of the execution of the Lease (i.e. after the Eisen Mortgage and Goldy Mortgage were in default and following the commencement of the Goldy Power of Sale Proceedings), nor does it provide, in the Receiver's view, any reasonable explanation as to why each of Eisen and Goldy were not notified of the Lease at the time it was executed (as well as the nearly 13-month period that followed, until it was provided following requests from the Receiver).

Taking the foregoing into consideration, as well as the findings/questions raised by the Receiver in the First Report and Eisen in the February 2025 Eisen Motion, the Receiver continues to have reasonable concerns as to the validity of the Lease, the intent with which it was entered into and its potential impact on the proposed Sale Process.

d. **Efforts to cooperate with the Receiver** – in the Second Chetti Affidavit, it is represented that Chetti is making every effort to gather and provide the information requested by the Receiver and, despite many of the records not being in his possession, Chetti continues to search for the relevant documents to the best of his ability. However, as discussed later in this report, the Receiver made several information requests both before and after the date of the Second Chetti Affidavit, the majority of which remain outstanding. The Receiver's ongoing attempts to follow up on these requests have been substantively ignored. In addition, on or about March 10, 2025, the Receiver and Chetti agreed to schedule an in-person meeting among the Receiver and the bookkeeper of WMI/785 for the purpose of addressing, in part, the Receiver's information requests. The meeting was postponed by Chetti due to a family medical matter. During the ensuing three weeks, the Receiver emailed Chetti four times to reschedule the meeting. No substantive response has been provided;

e. **Offer for the sale of the Golf Course Lands/Golf Club** – the Second Chetti Affidavit misrepresents the facts surrounding an offer made for the Golf Course Lands and Golf Club. Ashleen Hotels Inc. ("**Ashleen**"), a company the Receiver understands to operate in the hospitality industry, submitted an unsolicited offer to Chetti on December 8, 2024 (the "**Initial Offer**"), for the acquisition of the Company. For clarity, the offer is drafted such that Woodington Estates Inc. is the seller – not WMI, 785 or a combination of the entities. The Receiver notes that the Initial Offer contemplated a purchase price in excess of the amount of all known liabilities of the Company at that time. Before advising the Receiver of the offer, Chetti marked

up the offer to, among other things, increase the purchase price by $4.5 million and update the seller to include 785, and returned it to Ashleen, unsigned (the "**Revised Offer**"). On December 19, 2024, Blaney, on behalf of Chetti, sent an email to the Receiver to, among other things, advise of the Revised Offer and Chetti's revisions to same, and included a copy of the Revised Offer as an attachment. A redacted copy of the Revised Offer is included herein as **Appendix "D"**. An unredacted copy of the Revised Offer is included herein as **Confidential Appendix "1"**. Based on direct conversations with the prospective buyer's agent, the Receiver understands that the buyer was not prepared to proceed at the inflated price.

Chetti's assertion that the Receiver failed to pursue this offer and that it allowed a valuable opportunity to be lost is a misrepresentation. In fact, the Receiver engaged in multiple discussions with the prospective buyer's agent to explore the viability of a transaction in the context of these receivership proceedings. The buyer's agent even attended the Receiver's office, unsolicited, to better understand the proceedings and the steps required to advance a deal. At the meeting (and on subsequent calls among the Receiver and the agent), the Receiver advised that any offer seeking to acquire the Golf Course Lands and the Golf Club business would need to encompass the property/assets of the Golf Course Lands and the Golf Club, and should be submitted jointly to the Receiver and Chetti for consideration. A revised email offer (the "**Second Revised Offer**") was later submitted, but at a significantly reduced price compared to what was contemplated in the Initial Offer, and which would result in a shortfall to the Company's creditors. The Receiver further notes that the buyer under the Second Revised Offer was a numbered company, which, as advised by Ashleen's agent, is an entity related to Ashleen. A redacted copy of the Second Revised Offer is included herein as **Appendix "E"**. An unredacted copy of the Second Revised Offer is included herein as **Confidential Appendix "2"**. The Receiver, in turn (and in consideration of the *Soundair* principals), advised the agent that the revised offer was insufficient to support a transaction outside of a formal, Court-approved sale process and encouraged the prospective purchaser to participate in the contemplated Sale Process, should the Court grant the relief in the Receiver's Motion.

The Receiver is of the view that efforts to market the Golf Course Lands and Golf Club may be impaired if the Revised Offer and Second Revised Offer are made public at this time as the information could be prejudicial to any future sale efforts, including the proposed Sale Process. In the circumstances, the Receiver believes that it is appropriate for the Revised Offer and Second Revised Offer to be filed with the Court on a confidential basis and sealed until the completion of the Sale Process, should the Court grant such relief, or upon further order of the Court.

**Efforts to Negotiate a Cooperative Sale Process Agreement**

17. Since the Filing Date, the Receiver and the Company, as well as their respective counsel, with the involvement of Eisen, WLP and Goldy (and their respective counsel), discussed and engaged in negotiations regarding a collaborative sale process structure. These discussions/negotiations took place prior to and since the service of the Receiver's Motion and the Responding Motion Record, with a view to reaching an agreement prior to the initial return date of the Receiver's Motion (March 6, 2025, the "**March 6 Hearing**"). As noted above, while material progress was made, the parties agreed to adjourn the March 6 Hearing to April 16, 2025, to provide the time needed to either (i) finalize a collaborative sale process agreement or (ii) prepare to litigate the Receiver's Motion.

18. After agreeing to adjourn the March 6 Hearing, the parties continued to discuss/negotiate. However, there remained certain unresolved matters. In an effort to resolve these matters, on March 6, 2025, each of the Receiver, the Company, Eisen and WLP, as well as their counsel and counsel to Goldy, attended an in-person, without-prejudice meeting at the offices of the Receiver's counsel, Aird & Berlis LLP ("**A&B**") (the "**March 6 Meeting**"). On March 12, 2025, A&B circulated a revised draft of the collaborative sale process agreement to Company counsel, which draft had been shared with and approved by counsel to Eisen and Goldy.

19. No agreement having been formalized, on March 20, 2025, A&B circulated a proposed litigation timetable to Company counsel. On March 24, 2025, Company counsel responded to A&B, providing a conditional term sheet for the Proposed New Refinancing (as defined below) (the "**March 24 Blaney Email**").

20. After exchanges between A&B and Company counsel on March 25 and 26, 2025, it was determined that the Receiver's Motion would need to be rescheduled (resulting in the April 2 Case Conference and April 2 Endorsement).

**Prospective Refinancing Transaction**

21. A copy of a term sheet (the "**Term Sheet**") setting out the terms the of a conditional offer to refinance the Golf Course Lands (the "**Proposed New Refinancing**"), attached to the March 24 Blaney Email, is summarized as follows:

    a. Refinancing commitment: $22.015 million;

    b. Purpose of funds: replacement of two existing private mortgages: first for $12.5 million and second for $6.0 million, with the remainder of funds to be used towards soft costs for development preparation and the interest reserve;

    c. Term: 12 months (6 months closed);

    d. Interest rate: 10.75%;

e. Fees: $990,000 (or 4.5% of loan amount);

f. Deposit (refundable): $15,000;

g. Sources/uses of funds:

| Uses | Amount (in $000s) | Sources | Amount (in $000s) |
|---|---|---|---|
| Payment of existing first mortgage | 12,500 | New first mortgage | 22,000 |
| Payment of existing second mortgage | 6,000 | Deposit | 15 |
| Interest reserve (6 months) | 1,183 | | |
| Legal fees (estimated) | 10 | | |
| Fees | 990 | | |
| Available for use | 1,333 | | |
| **Total uses** | **22,015** | **Total sources** | **22,015** |

h. Conditions: including, but not limited to, performing further due diligence and obtaining an appraisal that confirms the proposed loan-to-value is no greater than what is indicated in the Term Sheet (i.e. at least 57.44%).

22. The Receiver notes the following regarding the Proposed New Refinancing:

a. the contemplated fee of $990,000 is considerably high. When combined with interest, the Company will effectively be paying a blended rate of 15% over the 12-month term of the loan, which is 4% greater than the current interest rates in effect for the Eisen Mortgage and the Goldy Mortgage;

b. as discussed in the First Report, Eisen has a collateral mortgage of $5.0 million secured against the Golf Course Lands, which ranks in third position behind the Goldy Mortgage. Absent a subordination of the fees and interest reserve to Eisen's collateral mortgage, the terms of the Proposed New Refinancing are prejudicial to Eisen;

c. the Receiver has received little to no substantive information regarding the proposed lender or its capacity to complete the Proposed New Refinancing. The Receiver has not been provided with sufficient information to instill any level of confidence that the Proposed New Refinancing will meaningfully develop; and

d. Eisen has informed the Receiver that the terms of the Proposed New Refinancing are unacceptable and does not support proceeding with a refinancing transaction on that basis.

**Outstanding Information Requests**

23. As discussed in the First Report, since its appointment, the Receiver has been working to obtain information regarding the affairs and operations of the Company in order to perform its Court-ordered mandate and prepare for the Sale Process. While certain of this information was obtained/provided

(in many cases, from third-party sources), significant portions remained outstanding as of the date of the First Report, which led to additional questions and concerns for the Receiver.

24. Since the date of the First Report, the Receiver has continued its efforts to obtain information regarding the affairs and operations of the Company. On February 4, 2025, February 10, 2025 and March 4, 2025 (collectively, the "**Information Request Emails**"), the Receiver sent emails to Chetti to request, inter alia, the following information:

    a. historical financial information of the Company;

    b. environmental reports concerning the Golf Course Lands;

    c. any agreement between the Company and WMI setting out the arrangement for the use/lease/occupation etc. of the Golf Course Lands (it was subsequently represented in the Second Chetti Affidavit that no such agreement existed);

    d. copies of documents supporting the use of funds in respect of the alleged investment by 785 in the Golf Course Lands in connection with the $4.0 million funding commitment provided under the Lease;

    e. copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any Golf Club assets;

    f. updates on the status of the Potential Plazacorp Refinancing, including supporting documents evidencing same, and the Torca Transaction;

    g. updates with respect to insurance on the Golf Club. As noted in the First Report, the Golf Club's previous insurance policy was terminated due to non-payment of premiums. At that time, Chetti was working to secure a more affordable replacement. Following further follow-ups by the Receiver, Chetti confirmed that a new policy had been put into effect and provided a copy of the policy on March 11, 2025; and

    h. financial and other information regarding the operations and affairs of the Golf Club in connection with the Receiver's attempts to arrange for an appraisal of the Golf Club.

25. Copies of the Information Request Emails are attached hereto as **Appendix "F"**.

26. At the March 6 Meeting, the Receiver and Chetti discussed the Receiver's information requests, where Chetti expressed to the Receiver that he wished to cooperate and agreed to arrange an in-person meeting among the Golf Club's bookkeeper and the Receiver, particularly to address and satisfy the Receiver's information request in connection with the proposed appraisal. Following additional correspondence after the March 6 Meeting, a meeting was scheduled for March 12, 2025. On March 11, 2025, Chetti wrote to the Receiver to advise that the meeting had to be postponed one-week as Chetti had to tend to a family medical matter. On March 17, 2025, the Receiver wrote

to Chetti to confirm that the meeting was to proceed as rescheduled, but did not receive a response. Despite additional attempts by the Receiver to reschedule the meeting (which Chetti did not respond to), the meeting never occurred.

27. On April 24, 2025, the Receiver sent a further email to Chetti in connection with its prior information requests (the "**April 24 Email**"), a copy of which is attached hereto as **Appendix "G"**.

28. Also on April 24, 2025, the Receiver received a copy of unaudited 2024 financial statements for WMI (the "**2024 WMI Statements**") from Barry Kerbel, a realtor and individual who purports to have a historical business relationship with Chetti. The Receiver subsequently provided a copy of the financial statements to Chetti and Company counsel on May 5, 2025, seeking to, among other things, verify the validity of same. A copy of the Receiver's email is attached hereto as **Appendix "H"**. The Receiver received two responses from Chetti on May 6, 2025, advising that the financial statements should not be relied upon and instructing the Receiver to cease any further requests for information. These responses are attached hereto as **Appendix "I"**.

29. As of the date of this Supplementary First Report, the Receiver has not received a response to its requests for documents/information regarding (i) historical financial information of the Company, (ii) the $4.0 million funding commitment provided under the Lease, (iii) the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any Golf Club assets, (iv) the status of the Potential Plazacorp Refinancing and the Torca Transaction and (v) financial and other information regarding the operations and affairs of the Golf Club, including specific questions regarding the reporting of the historical financial statements of WMI.

**Other Matters**

Torca Transaction

30. Background regarding the Torca Transaction is provided in the First Report and not repeated herein.

31. Since the First Report, the Receiver has requested (including the Information Request Emails and the April 24 Email) an update on the status of the Torca Transaction. The Receiver was last advised by Chetti that the Torca Transaction would close by no later than February 28, 2025. The Receiver has not received a response from Chetti regarding its requests for updates on such. The Receiver understands from other sources that, as of the date of this Supplementary First Report, the Torca Transaction has not closed.

Potential Plazacorp Refinancing

32. Background regarding the Potential Plazacorp Refinancing is provided in the First Report and not repeated herein.

33. Since the First Report, the Receiver has requested (including the Information Request Emails and the April 24 Email) an update on the status of the Potential Plazacorp Refinancing. The Receiver has

not received a response from Chetti regarding its requests for such updates. The Receiver is not aware of any development regarding the Potential Plazacorp Refinancing.

## IV. BORROWING LIMIT

34. The Receiver's borrowing limit pursuant to paragraph 21 of the Receivership Order is presently $250,000 (the "**Receiver's Borrowing Limit**"). To date and in accordance with the Receivership Order, the Receiver has borrowed $250,000 from Eisen by way of a Receiver's Certificate dated January 31, 2025 (the "**January 2025 Receiver's Certificate**").

35. The Receiver understands that the Company does not maintain bank accounts, and, as a land-owner that provides tenancy free-rent to its tenant, has no source of income. The Receiver is required to borrow funds for the professional costs and ancillary disbursements associated with the administration of these proceedings. As detailed in the statement of interim receipts and disbursements for the period from the Filing Date to May 12, 2025 (as discussed below, the "**Interim SRD**"), the Receiver has used virtually all of the funds borrowed. In order to continue to fund these proceedings and implement the Sale Process, the Receiver recommends that the Receiver's Borrowing Limit be increased to $650,000. The receiver understands that such relief will be included in the May 2025 Eisen Motion.

36. The Receiver notes that each of Eisen and Goldy support the proposed increase to the Receiver's Borrowing Limit.

## V. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

37. Attached hereto at **Appendix "J"** is the Interim SRD, which reflects the Receiver's receipts and disbursements for the period from the Filing Date to May 12, 2025. As set out in the Interim SRD, the Receiver is currently holding funds in the amount of approximately $182, as of May 12, 2025.

## VI. ACTIVITIES OF THE RECEIVER

38. The Receiver's activities since the date of the First Report have included, among other things, the following:

    a. corresponding extensively with A&B, Chaitons (counsel to Eisen) and Goodmans (counsel to Goldy), regarding all aspects of the Receiver's mandate and these receivership proceedings;

    b. reviewing a demand letter dated February 11, 2025 issued to Chetti by Goodmans (on behalf of Goldy), demanding on Chetti's personal guarantee granted in favour of Goldy in respect of the Company's obligations under the Goldy Loan;

    c. dealing with various matters, concerning insurance of the Golf Club and Golf Course Lands, including, corresponding with Chetti and his insurance broker, regarding the Insurance

Termination Notice and replacement insurance for the Golf Club, arranging insurance in respect of the Golf Course Lands, corresponding with Aon Parizeau Inc./Aon Reed Stenhouse Inc., the insurance broker engaged by the Receiver, regarding same, and corresponding with an insurance consultant in respect of various insurance matters concerning the Golf Club and the Golf Course Lands;

d. corresponding with realtors regarding the proposed Sale Process and the status of the proceedings generally;

e. corresponding with a golf course equipment financier who financed the purchase of WMI's/785's machinery and equipment (including golf carts), regarding the status of the proceedings generally and the proposed Sale Process;

f. corresponding with Chetti, the Company and Blaney (the Company's counsel), regarding various matters in these proceedings, including the Receiver's information requests, the proposed Sale Process, the proposed cooperative sale process, insurance matters, the Proposed New Refinancing and other matters concerning these proceedings;

g. dealing with various matters in connection with the proposed cooperative sale process, including:

   i. reviewing and commenting on multiple drafts of an agreement setting out the terms of the contemplated cooperative sale process (collectively, the "**Draft Agreements**");

   ii. attending at the March 6 Meeting;

   iii. preparing an estimated realization analysis setting out a range of outcomes from the sale of the Golf Course Lands and Golf Club; and

   iv. corresponding with A&B, Chetti, the Company, Blaney, Chaitons, WLP and Goodmans regarding the Draft Agreements and other matters concerning the proposed cooperative sale process;

h. corresponding with Chaitons, Eisen and Goodmans regarding funding of these proceedings in accordance with the Receivership Order. As noted above, since the Filing Date, the Receiver has borrowed $250,000;

i. executing the January 2025 Receiver's Certificate;

j. corresponding with various parties, including their agents and advisors, that have expressed interest in a transaction to acquire the Golf Course Lands and the Golf Club;

k. corresponding with WLP regarding the Responding Motion Record, the proposed Sale Process, the proposed cooperative sale process and the Proposed New Refinancing, among other things;

l. reviewing past appraisals of the Golf Club;

m. corresponding with John Chetti (Chetti's son) regarding an alleged offer to acquire the Golf Course Lands;

n. reviewing materials and corresponding with various counsel and A&B in connection with ancillary litigation proceedings;

o. reviewing the Proposed New Refinancing term sheet and corresponding with A&B, Blaney, Chaitons and Goodmans regarding same and the terms of and other related matters concerning the Proposed New Refinancing;

p. reviewing the aide-memoire of the Receiver dated April 1, 2025 in connection with the April 2 Case Conference, as well as the proposed timetable for delivery of materials in connection with the June 27 Hearing, and corresponding with A&B, Chaitons, Goodmans and Blaney regarding same;

q. attending at Court in respect of the April 2 Case Conference;

r. dealing with estate banking matters, including opening an estate bank account and paying post-filing expenses;

s. maintaining the Case Website;

t. preparing the Notice and Statement of the Receiver pursuant to Section 246(2) of the BIA;

u. preparing the Interim SRD;

v. reviewing various materials filed in connection with these proceedings since the First Report, including, among other materials, the Responding Motion Record and the February 2025 Eisen Motion;

w. drafting this Supplementary First Report; and

x. dealing with all other matters pertaining to the administration of this mandate.

## VII. RECOMMENDATION AND CONCLUSION

39. Based on all of the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief described herein.

All of which is respectfully submitted this 13th day of May 2025

**ALBERT GELMAN INC.,**
**solely in its capacity as Receiver of**
**Woodington Estates Inc.**
**and not its personal or any other capacity**

Per: Bryan Gelman
Bryan Gelman, *CIRP, LIT*

Per:
Adam Zeldin, *CPA, CA, CIRP, LIT*

# APPENDIX “I”

ALBERT GELMAN

# SECOND SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. AS RECEIVER OF WOODINGTON ESTATES INC.

**JUNE 20, 2025**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC.**

**Respondent**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# SECOND SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER

**JUNE 20, 2025**

## I. INTRODUCTION AND PURPOSE

1. This report (the "**Second Supplementary First Report**") supplements the First Report of the Receiver dated January 27, 2025 (the "**First Report**") and the Supplementary First Report of the Receiver dated May 13, 2025 (the "**Supplementary First Report**").

2. Copies of the First Report and Supplementary First Report, each without appendices, are attached hereto as **Appendix "A"** and **Appendix "B"**, respectively. Copies of the First Report and Supplementary First Report, each with appendices, are available on the Receiver's website at https://www.albertgelman.com/filedocuments/.

3. Capitalized terms not defined in this Second Supplementary First Report have the meanings given to them in the First Report and the Supplementary First Report.

4. Unless otherwise stated, this Second Supplementary First Report is subject to the scope and terms of reference in the First Report.

### Purpose of the Second Supplementary First Report

5. The purpose of this Second Supplementary First Report is to:

   a. provide a short update on recently filed materials in this matter and briefly address the responding affidavit filed by Chetti dated June 16, 2025 (the "**Third Chetti Affidavit**"); and

   b. provide the Court with an update with respect to the Receiver's mandate to monitor receipts and disbursements of WMI and 785, as ordered pursuant to the endorsement of The Honourable Justice Black dated June 2, 2025 (the "**June 2 Endorsement**"), a redacted copy of which is attached hereto as **Appendix "C"**.

## II. RECENT UPDATES

6. On June 11, 2025, Turf Care Financial Ltd., Care Lending Group Limited, operating as Turf Care Financial, and Turf Care Products Canada Ltd. ("**Turf Care**") served an application under the PPSA for possession of certain leased equipment used in the day-to-day operations of the Golf Club (the "**Turf Care Application**"). On June 16, 2025, Turf Care also served a motion record responding to the materials filed by the Receiver and Eisen on May 13, 2025.

7. As noted above, the Third Chetti Affidavit was served on June 16, 2025 and addresses, among other things: (i) the WMI GSA, (ii) a purported security interest in 785 held by Rock Garden Development Corporation (a company controlled by Chetti, as represented in the Third Chetti Affidavit), (iii) a proposed refinancing transaction, (iv) Eisen's Third Mortgage (as defined in the Third Chetti Affidavit) on the Golf Course Lands and the interrelationship of same with respect to the Highway 27 Property (as defined in the First Report) and (v) the Turf Care Application.

8. The Receiver understands that Eisen will be filing an affidavit in response to the Third Chetti Affidavit.

**The Proposed Refinancing**

9. The Third Chetti Affidavit discusses a proposed refinancing transaction that would provide sufficient funding to repay the Eisen Loan and Goldy Loan, in full (i.e. the first and second mortgages on the Golf Course Lands). It is unclear to the Receiver if the foregoing refinancing transaction is the same proposed refinancing transaction discussed in the Supplementary First Report (and defined therein as the "Proposed Refinancing"). The Receiver's comments regarding the Proposed Refinancing are provided in the Supplementary First Report and not repeated herein.

10. The Third Chetti Affidavit also represents that Chetti anticipates receipt of a commitment letter imminently in respect of the contemplated refinancing transaction. As of the date of this Second Supplementary First Report, the Receiver has not been provided with a copy of a commitment letter in this regard.

## III. UPDATE ON THE RECEIVER'S MONITORING MANDATE

11. The June 2 Endorsement provides, *inter alia*, the following:

*"Mr. Chaiton for the applicant asked that I also include, as terms of the adjournment, that AGI be allowed to monitor receipts and disbursements of the respondents and that only ordinary course business expenditures are to be permitted pending the determination of the motion. Mr. Ullman resists these terms. On balance the terms strike me as fair and reasonable, and I order them. There is benefit to maintaining the status quo pending the disposition of this matter."*

12. On June 2, 2025, the Receiver wrote to Chetti to, among other things, request and coordinate the delivery of documentation and information in connection with the Receiver's monitoring mandate as ordered in the June 2 Endorsement (the "**June 2 Receiver Email**"). A copy of the June 2 Receiver Email is attached hereto as **Appendix "D"**.

13. On the same day, Blaney McMurtry LLP (counsel to the Respondent, "**Blaney**"), responded to the Receiver (the "**June 2 Blaney Email**") to, among other things, suggest that the June 2 Receiver Email overstates the intention of the June 2 Endorsement and that Blaney would provide a response to the June 2 Receiver Email. A copy of the June 2 Blaney Email is attached hereto as **Appendix "E"**.

14. On June 5, 2025, the Receiver, together with its counsel (Aird & Berlis LLP, "**A&B**"), attended a call with Blaney to discuss, among other things, the June 2 Receiver Email, including the scope of the Receiver's information request and the Receiver's monitoring mandate more broadly.

15. On June 12, 2025, the Receiver, A&B, and Blaney participated in a follow-up call to discuss, among other matters, the status of the Receiver's information request and monitoring mandate, as no

progress had been made to date. During the call, it was conveyed to the Receiver that, in light of Chetti's personal health situation, other members of his family, including his son, John Chetti ("**John**"), would be managing the operations and affairs of the Golf Club on an interim basis. It was further discussed that, in view of this arrangement, John would be the appropriate point of contact for coordinating the monitoring mandate, and that Blaney would follow up with him accordingly.

16. On June 13, 2025, the Receiver emailed John (the "**June 13 Receiver Email**") to coordinate the Receiver's attendance at the Golf Club to review records and set a protocol for ongoing monitoring. A copy of the June 13 Receiver Email is attached hereto as **Appendix "F"**.

17. On June 16, 2025, the Receiver sent a follow-up email to John, as no response had been received to the June 13 Receiver Email. Shortly thereafter, John replied and requested a call, which the Receiver attended. During the call, the Receiver and John discussed scheduling a meeting to review financial records and set a monitoring protocol. However, John declined to schedule or confirm any meeting until June 18, 2025. The Receiver remains unclear as to the relevance of this delay in the context of its monitoring mandate—particularly given its understanding that interim measures were in place for the operation of the golf club, and that the requested information should be readily accessible through the in-house bookkeeper.

18. Later on June 16, 2025, A&B wrote to Blaney to advise of, among other things, the Receiver's call with John (the "**June 16 A&B Email**") and to request that Blaney speak with its client to rectify the matter. A copy of the June 16 A&B Email is attached hereto as **Appendix "G"**.

19. On June 18, 2025, the Receiver sent a follow-up email to John**.** In response, John wrote to the Receiver that, due to delays in connection with Chetti's medical situation, he would respond the following day to coordinate a time.

20. In consideration of all the foregoing and as it had been sixteen (16) days since the June 2 Endorsement and the Receiver's initial outreach to commence the monitoring mandate, the Receiver sent a further email to John on June 18, 2025 (the "**June 18 Receiver Email**"), in an effort to advance the monitoring process. As noted in the June 18 Receiver Email, the Receiver requested a shortened list of information be provided immediately, consisting of materials it expected would be readily available from the in-house bookkeeper (without prejudice to its broader information request). A copy of the June 18 Receiver Email is attached hereto as **Appendix "H"**. In response, John advised that he would provide the requested information but that it "*will take a couple of days*".

21. As of the date of this Second Supplementary First Report, the Receiver has not received any of the requested information nor has the Receiver been able to confirm a date to meet with any representative of the Golf Club. As such, no monitoring pursuant to the June 2 Endorsement has taken place.

All of which is respectfully submitted this 20th day of June 2025

**ALBERT GELMAN INC.,**
**solely in its capacity as Receiver of**
**Woodington Estates Inc.**
**and not its personal or any other capacity**

Per: _____
Adam Zeldin, *CPA, CA, CIRP, LIT*

# APPENDIX “J”

ALBERT GELMAN

# THIRD SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. AS RECEIVER OF WOODINGTON ESTATES INC.

**JULY 10, 2025**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC.**

**Respondent**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# THIRD SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER

**JULY 10, 2025**

## I. INTRODUCTION AND PURPOSE

1. This report (the "**Third Supplementary First Report**") supplements the First Report of the Receiver dated January 27, 2025 (the "**First Report**"), the Supplementary First Report of the Receiver dated May 13, 2025 (the "**Supplementary First Report**") and the Second Supplementary First Report of the Receiver dated June 20, 2025 (the "**Second Supplementary First Report**" and collectively with the First Report and the Supplementary First Report, the "**Prior Reports**").

2. Copies of the First Report, Supplementary First Report and Second Supplementary First Report, each without appendices, are attached hereto as **Appendix "A"**, **Appendix "B"** and **Appendix "C"**, respectively. Copies of the First Report, Supplementary First Report and Second Supplementary First Report, each with appendices, are available on the Receiver's website at https://www.albertgelman.com/filedocuments/.

3. Capitalized terms not defined in this Third Supplementary First Report have the meanings given to them in the Prior Reports.

4. Unless otherwise stated, this Third Supplementary First Report is subject to the scope and terms of reference in the First Report.

### Purpose of the Third Supplementary First Report

5. The purpose of this Third Supplementary First Report is to provide an update to the Court since the date of the Second Supplementary First Report regarding the Receiver's mandate to monitor receipts and disbursements of WMI and 785 (the "**Monitoring Mandate**"), as ordered pursuant to the endorsement of The Honourable Justice Black dated June 2, 2025 (the "**June 2 Endorsement**"), a redacted copy of which is attached hereto as **Appendix "D"**.

## II. UPDATE ON THE RECEIVER'S MONITORING MANDATE

6. As noted in the Second Supplementary First Report, the June 2 Endorsement provides, *inter alia*, the following:

   *"Mr. Chaiton for the applicant asked that I also include, as terms of the adjournment, that AGI be allowed to monitor receipts and disbursements of the respondents and that only ordinary course business expenditures are to be permitted pending the determination of the motion. Mr. Ullman resists these terms. On balance the terms strike me as fair and reasonable, and I order them. There is benefit to maintaining the status quo pending the disposition of this matter."*

7. Details of the Receiver's activities in connection with the Monitoring Mandate are set out in the Second Supplementary First Report. As discussed therein, as of the date of the Second Supplementary First Report, no progress had been made in advancing the Monitoring Mandate.

8. On June 25, 2025, the Receiver sent a follow up email (the "**June 25 Receiver Email**") to John Chetti ("**John**"). As discussed in the Second Supplementary First Report, the Receiver had previously been advised by Respondent's counsel that John and other Chetti family members are currently assisting with managing the operations and affairs of the Golf Club on an interim basis due to Chetti's medical situation. The June 25 Receiver Email asked for confirmation of when the requested information sought in connection with the Monitoring Mandate would be provided and to schedule a meeting to attend at the Golf Club to review financial records and establish a monitoring protocol. A copy of the June 25 Receiver Email is attached hereto as **Appendix "E"**.

9. Later on June 25, 2025, John responded to the Receiver (the "**June 25 John Email**") as follows:

   "*We are prepared to pay off all parties by next Friday. We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receivers role in this transaction to ensure it is acting ethically.*"

   A copy of the June 25 John Email is attached hereto as **Appendix "F"**.

10. On July 3, 2025, the day before the alleged "pay off" date referenced in the June 25 John Email, the Receiver sent a follow-up email to John (the "**July 3 Receiver Email**") requesting an update and copies of the supporting documentation to substantiate the proposed committed financing represented in the email. The July 3 Receiver Email, a copy of which is attached hereto as **Appendix "G"**, also noted that the Receiver would not be responding to the remainder of the June 25 John Email at that time, and that the absence of a response should not be taken as any acceptance of, or agreement with, the statements made therein.

11. Later that same day, John responded to the Receiver to request a call. The Receiver attended a call with John on July 3, 2025, during which John, among other things, claimed to have obtained committed financing and indicated that the Respondent's counsel was engaged in discussions with Eisen's counsel regarding potential refinancing terms.

12. On July 4, 2025, the Receiver sent a further email to John to: (i) request documentation in support of the purported committed financing, (ii) respond to the statements made in the June 25 John Email not previously addressed in the July 3 Receiver Email, and (iii) address the continued lack of cooperation and failure to provide information relating to the Monitoring Mandate (the "**July 4 Receiver Email**"). The Receiver again requested the necessary information to carry out the Monitoring Mandate and proposed scheduling a meeting to establish a monitoring protocol. A copy of the July 4 Receiver Email is attached hereto as **Appendix "H"**.

13. As of the date of this Third Supplementary First Report, the Receiver has not received a response to the July 4 Receiver Email, has not received any of the information it has requested regarding the Monitoring Mandate and has not been able to confirm a meeting date with any representative of the

Golf Club. As a result, no monitoring pursuant to the June 2 Endorsement has taken place despite the Receiver's efforts.

All of which is respectfully submitted this 10th day of July 2025

**ALBERT GELMAN INC.,**
**solely in its capacity as Receiver of**
**Woodington Estates Inc.**
**and not its personal or any other capacity**

Per: _____
Adam Zeldin, *CPA, CA, CIRP, LIT*

# APPENDIX “K”

ALBERT GELMAN

# SECOND REPORT OF
# ALBERT GELMAN INC.
# AS RECEIVER OF WOODINGTON ESTATES INC. AND
# SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND
# 1000736785 ONTARIO LIMITED

**JANUARY 26, 2026**

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Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

**Respondents**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# SECOND REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER AND SALES OFFICER

**JANUARY 26, 2026**

## I. INTRODUCTION

1. This report (the "**Second Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver (in such capacity, the "**Receiver**") without security, of the assets, undertakings and properties of Woodington Estates Inc. ("**Woodington Estates**") and in its capacity as the Court-appointed sales officer (in such capacity, the "**Sales Officer**"), without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**", and collectively with Woodington Estates and Woodington Management, the "**Debtors**").

2. On the application of Melvyn Eisen, as trustee ("**Eisen**"), and pursuant to an Order (the "**Receiver Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 2, 2024 (the "**Appointment Date**"), AGI was appointed as Receiver of the property, assets and undertakings of Woodington Estates (the "**Woodington Estates Assets**"), which includes the real property known municipally as 7110 4th Line, Tottenham, Ontario (the "**Real Property**"), under section 243(1) of the Bankruptcy and Insolvency Act (Canada) (the "**BIA**") and section 101 of the Courts of Justice Act (Ontario) (the "**CJA**"). A copy of the Receiver Appointment Order is attached hereto as **Appendix "A"**.

3. Pursuant to an Order of the Court dated July 15, 2025 (the "**Sales Officer Appointment Order**"), AGI was appointed as the Sales Officer of the property, assets and undertakings of Woodington Management and 785 (collectively, the "**Business Assets**") under section 101 of the CJA. The Sales Officer Appointment Order, *inter alia*: (i) approved a process to solicit interest in a transaction to acquire the Woodington Estates Assets and the Business Assets (the "**Sale Process**") and (ii) authorized and empowered the Sales Officer to control the receipts and disbursements and monitor the affairs of Woodington Management and 785 (the "**Monitoring Mandate**"). A copy of the Sales Officer Appointment Order is attached hereto as **Appendix "B"**.

4. Woodington Estates is the registered and beneficial owner of the Real Property, upon which a thirty-six hole golf course, approximately 32,000 square foot clubhouse facility and supporting infrastructure known as the "Woodington Lake Golf Club" is situated and operating as a golf club business (the "**Golf Club**"). The Golf Club is operated and overseen by Woodington Management and/or 785.

5. The primary purpose of these proceedings was to conduct the Sale Process. In that regard and as more fully discussed in this Second Report, the Receiver and Sales Officer, as vendor (together in such capacity, the "**Vendor**") and Purposeful Group Ltd., as purchaser ("**Purposeful**" or the "**Purchaser**"), have entered into an agreement of purchase and sale dated January 14, 2026 (the "**APS**") for the sale of substantially all of the Woodington Estates Assets and the Business Assets (the "**Transaction**"), which is conditional on Court approval.

6. To date, AGI, in its capacity as Receiver, has filed one report and three supplementary reports with the Court, summarized as follows (collectively, the "**Prior Reports**"):

   a. the Receiver's first report to Court dated January 27, 2025 (the "**First Report**");

   b. the Receiver's supplementary First Report dated May 13, 2025 (the "**Supplementary First Report**");

   c. the Receiver's second supplementary First Report dated June 20, 2025 (the "**Second Supplementary First Report**"); and

   d. the Receiver's third supplementary First Report dated July 10, 2025 (the "**Third Supplementary First Report**").

7. Copies of the First Report, the Supplementary First Report, the Second Supplementary First Report and the Third Supplementary First Report, each without appendices, are attached hereto as **Appendix "C"**, **"D"**, **"E"** and **"F"**, respectively. Copies of the Prior Reports, with appendices, are available on the Case Website (as defined below).

8. The Receiver has established a case website at https://www.albertgelman.com/filedocuments (the "**Case Website**"), where copies of Court and other materials pertaining to these receivership proceedings are available in electronic form.

## II. PURPOSE OF THIS REPORT

9. The purpose of this Second Report is to provide the Court with information pertaining to the following:

   a. relevant background regarding the Debtors and these proceedings;

   b. the Sale Process undertaken, including the resulting Transaction;

   c. the terms of the proposed Transaction as reflected in the APS;

   d. the Receiver's recommendations regarding distributions of certain of the net proceeds generated from the Transaction to Eisen, on account of Eisen's first-ranking secured claims;

   e. an update regarding the Monitoring Mandate;

   f. the activities of the Receiver since the Supplementary First Report and the activities of the Sales Officer since the Sales Officer Appointment Order;

   g. the Receiver's interim statement of receipts and disbursements for the period from the Appointment Date to January 23, 2026 (the "**Interim SRD**");

   h. the accounts of the Receiver and Sales Officer and that of its legal counsel, Aird & Berlis LLP ("**A&B**"), in respect of fees and disbursements incurred in these proceedings;

i. the Receiver's and Sales Officer's response to a motion made by 785 regarding certain funds withdrawn from 785's bank account pursuant to the Sales Officer Appointment Order which were to pay the fees and disbursements of the Sales Officer and A&B (the "**785 Motion**"); and

j. the Receiver's recommendation that this Court issue the following Orders:

i. an Approval and Vesting Order (the "**AVO**"):

(1) approving the APS and the Transaction; and

(2) authorizing and directing the Vendor to complete the Transaction and convey the Purchased Assets to the Purchaser, and vesting the Purchased Assets in the Purchaser on closing pursuant to the terms of the AVO, upon execution and delivery of a certificate by the Vendor confirming completion of the Transaction; and

ii. a Distribution and Ancillary Order (the "**Distribution and Ancillary Order**"):

(1) authorizing the Receiver and Sales Officer to make the proposed distribution to Eisen as set out herein, from the net proceeds of the Transaction until the Debtors' indebtedness to Eisen is repaid in full;

(2) approving this Second Report and the Prior Reports, including the actions, activities and conduct of the Receiver and Sales Officer described therein;

(3) approving the Interim SRD;

(4) approving the fees and disbursements of the Receiver/Sales Officer and A&B, as set out herein; and

(5) sealing the Confidential Appendices (as defined below) to this Second Report until closing of the Transaction.

## III. SCOPE AND TERMS OF REFERENCE

10. In preparing this Second Report, the Receiver/Sales Officer has relied upon certain unaudited financial information, the Debtors' books and records, discussions with certain principals of the Debtors, the Debtors' finance and other employees, the Debtors' legal counsel (Blaney McMurtry LLP, "**Blaney**"), legal counsel to Eisen (Chaitons LLP, "**Chaitons**") and counsel to Goldy Metals Holdings Inc. (Goodmans LLP, "**Goodmans**"), representatives from Canada Revenue Agency ("**CRA**") and other stakeholders and individuals with knowledge of the Debtors' affairs.

11. While the Receiver/Sales Officer has reviewed the various documents and other information obtained from the Debtors and other parties, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**") or otherwise.

Accordingly, the Receiver/Sales Officer expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.

12. This Second Report has been prepared for the use of this Court and the Debtors' stakeholders as general information relating to the Debtors and to assist the Court in making a determination of whether to grant the relief sought. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Receiver/Sales Officer will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

13. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

14. Capitalized terms not otherwise defined in this Second Report have the meanings given to them in the Prior Reports.

## IV. BACKGROUND

15. A detailed background regarding the Debtors, their creditors and events leading to the Receivership Application, Receiver Appointment Order and Sales Officer Appointment Order is included in the Prior Reports and not repeated herein to avoid duplication. A brief summary of such background is included below.

### Background Regarding the Debtors

16. Woodington Estates is a privately-held Ontario corporation and has been the registered owner of the Real Property since January 11, 2019.

17. As more fully discussed in the Prior Reports, the Receiver/Sales Officer understands that the Golf Club was owned and operated by Woodington Management beginning in or around January 2019 until the operations were purportedly transferred to 785 in early December 2023, as represented by the Debtors. As further noted in the Prior Reports, the Receiver requested, but was never provided, documentation to support the transfer of the Golf Club assets/business from Woodington Management to 785.

18. In carrying out the Monitoring Mandate, the Receiver has observed that the Golf Club's accounting records, cheques, payroll reports, T4s issued to employees, and sales and vendor invoices have been issued under the name Woodington Management or the operating name, "Woodington Lake Golf Club". All operating activity of the Golf Club business, as well as its known assets and liabilities, are recorded in the Woodington Management accounting system. As at the date of the Sales Officer Appointment Order, the Golf Club business was transacting day-to-day operations under one bank account in the name of 785 (the "**785 Account**") held at The Bank of Nova Scotia ("**BNS**"). The Receiver/Sales Officer understands that this account was opened in February 2025. The

Receiver/Sales Officer understands that prior to this date, the Golf Club business was previously transacting day-to-day operations under another bank account held at the Toronto-Dominion Bank registered under Woodington Management.

19. There is further indication from observing the Golf Club's accounting records that the Golf Club business had operated other bank accounts for day-to-day operations held at National Bank of Canada ("**NBC**") during fiscal years 2023 and 2024. It is currently unknown to the Receiver/Sales Officer which entity of the Debtors or other entity the NBC account was held under.

20. Joseph (Joe) Chetti ("**Mr. Chetti**") was the sole director of Woodington Estates and understood to be its sole owner. In September 2025, Mr. Chetti suddenly passed away. During the months leading up to and since his passing, other members of Mr. Chetti's family, including his spouse, Frances Chetti ("**Mrs. Chetti**"), and son, John Chetti ("**John**"), have managed the operations and affairs of the Golf Club under the oversight of the Sales Officer. Mr. Chetti was also the sole director of Woodington Management and understood to be its sole owner. Mrs. Chetti is also understood to be the sole director and owner of 785.

21. As further discussed below, the Receiver/Sales Officer understands that John is insolvent as a result of filing a proposal under Part III, Division I of the BIA, which is currently in default.

**Creditors – Woodington Estates**

22. Full particulars of Woodington Estates' secured creditors and other potential priority claimants as known/understood as at the Appointment Date are set out in the First Report, including details regarding the nature, amount, and priority of their respective claims. To summarize, as at the Appointment Date, the secured creditors/potential priority claimants of Woodington Estates include:

    a. Eisen – in respect of a first-ranking mortgage in the principal amount of $11.5 million (the "**Eisen Mortgage**"), secured against the Real Property and the Golf Club (as discussed in the Supplementary First Report, the Receiver became aware in May 2025 that Woodington Management granted a general security agreement over the Business Assets in favour of Eisen (the "**Eisen GSA**") to secure the obligations owing under the Eisen Mortgage);

    b. Goldy – in respect of a second-ranking mortgage in the principal amount of $5.5 million, secured against, among other things, the Real Property and a general security agreement over all contracts, chattels, fixtures and leasehold improvements located at or upon, or relating to, the Real Property;

    c. Eisen – in respect of a third-ranking charge/mortgage in favour of Eisen and Windsor II Limited Partnership ("**WLP**"), a fund controlled by Windsor Private Capital ("**Windsor**"), in the principal amount of $5.0 million, as security for an advance under a loan made by Eisen and WLP to

another entity controlled by Mr. Chetti that owns the lands and premises municipally known as 11720 Highway 27, Vaughan, Ontario;

d. The Corporation of the Town of New Tecumseth (the "**Town**") – in respect of unpaid property taxes on the Real Property. The Receiver was provided with a statement of account from the Town, which indicates that, as at October 31, 2025, approximately $269,000 was owing to the Town in respect of property taxes; and

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

23. The Receiver has obtained an independent security opinion in respect of the Eisen Mortgage, as further detailed herein.

**Creditors – Woodington Management/785**

24. The Receiver understands the following creditors have a registered security against Woodington Management/785:

a. Care Lending Group Inc. o/a Turf Care Financial ("**Turf Care**") – in respect of a general security agreement granted by Woodington Management to secure the obligations of Woodington Management under various equipment leases (collectively, the "**Equipment Leases**"). The equipment subject to the Equipment Leases comprises various golf course maintenance and other equipment used in the Golf Club business. The Equipment Leases were financed by Turf Care. Since the issuance of the Sales Officer Appointment Order, the Receiver/Sales Officer understands that the Equipment Leases and all rights of Turf Care thereunder, including the security in favour of Turf Care, have been assigned to Windsor;

b. Rock Garden Development Corporation ("**Rock Garden**") – as noted in the affidavit of Mr. Chetti sworn June 16, 2025 (the "**June 16 Chetti Affidavit**"), Rock Garden, an Ontario privately incorporated company owned by Mr. Chetti, registered a security interest against 785 in April 2025 to secure alleged advances in the aggregate amount of $500,000 to Woodington Management and 785 to fund operating expenses of the Golf Club since 2019. The Receiver/Sales Officer notes that the June 16 Chetti Affidavit and exhibits thereto are the only evidence provided in support of the alleged Rock Garden loans and security. The Receiver/Sales Officer has not been provided with documentary evidence of the alleged advances by Rock Garden as represented in the June 16 Chetti Affidavit that existed at the time of the alleged advances; and

c. Eisen – in respect of the Eisen GSA.

25. In addition, the Receiver understands from correspondence with the CRA that Woodington Management has the following outstanding tax balances (as of August 26, 2025):

    a. approximately $1.3 million for unremitted GST/HST, including net tax, interest and penalties as a result of assessments from GST/HST filings up to December 2022 and arbitrary assessments for unfiled periods thereafter; and

    b. approximately $420,000 for unremitted payroll source deductions for taxation years 2020 to 2024. For year 2025, the Receiver/Sales Officer is aware of an additional $185,000 (approximately) in unremitted payroll source deductions for the period of January 1, 2025 to July 30, 2025.

26. In addition to the foregoing, the books and records of Woodington Management/785 indicate unsecured obligations of approximately $600,000 as at November 28, 2025 owing primarily to trade suppliers.

## V. THE SALE PROCESS

27. 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. Following such negotiations, the parties reached a mutual agreement on the structure and key terms of the Sale Process, as reflected in the Sale Process ultimately brought before the Court. The Sale Process was approved by the Court under the Sales Officer Appointment Order.

28. Capitalized terms not otherwise defined in this section have the meanings given in the Sale Process procedures, which were appended as Schedule "A" to the Sales Officer Appointment Order.

### Selection of Realtor

29. In connection with the Sale Process, the Sales Officer solicited proposals from four (4) realtors to act as the listing agent in the Sale Process. The four (4) realtors are known to the Sales Officer to have considerable experience in the listing and sale of golf courses, land and/or commercial properties in the Greater Toronto Area and Southern Ontario market. The Sales Officer requested that each realtor provide a proposal setting out each firm's experience, a marketing plan, an estimate of value for the Woodington Estates Assets and Business Assets (on a combined basis) and the proposed commission structure.

30. Ultimately, the Sales Officer, with the support of Eisen and Goldy, selected Lennard Commercial Realty, Brokerage ("**Lennard**" or the "**Broker**") to act as the realtor in these proceedings, and entered into a listing agreement on August 8, 2025 (the "**Listing Agreement**"). Although advised of the retention of Lennard, the Debtors did not object to its appointment.

31. In selecting a realtor, the Sales Officer considered, among other things, Lennard's experience selling similar properties in the Greater Toronto Area and Southern Ontario market, the proposed marketing plan presented, the fee structure/commission rate and the information provided by Lennard in its proposal.

**The Sale Process**

32. A summary of the Sale Process is as follows:

    a. the Real Property was listed on August 15, 2025 (the "**Listing Date**") through the Toronto MLS system with an initial bid deadline for offers set for September 26, 2025 at 5:00 p.m. (Toronto time) (the "**Bid Deadline**");

    b. Lennard prepared marketing materials, including a non-confidential initial offer summary document, which was distributed to potential interested parties setting out the opportunity and details of the Sale Process;

    c. prior to the Listing Date, a copy of the Sales Officer Appointment Order, which included the Sale Process procedures, was posted to the Case Website, where it remained throughout the duration of the Sale Process;

    d. commencing on August 21, 2025, Lennard circulated multiple marketing email blasts promoting the opportunity to more than 1,600 potential interested parties from its internal database;

    e. the Receiver/Sales Officer published an advertisement in the Monday edition of Insolvency Insider (an independent online publication dedicated to the Canadian insolvency market) for five (5) consecutive weeks, commencing on August 25, 2025;

    f. interested parties were required to execute a non-disclosure agreement ("**NDA**") to gain access to an electronic data room (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;

    g. on September 17, 2025, counsel to Woodington Estates and 785 requested, on behalf of the Chetti family, that the Bid Deadline be extended to October 27, 2025 due to the passing of Mr. Chetti;

    h. after considering this request, along with input from Lennard on extending the listing, the Bid Deadline was extended to October 9, 2025 at 5:00 p.m. (Toronto time) (the "**Extended Bid Deadline**");

    i. subject to the terms of the Sale Process, to be a Qualified Bid, a Bid was to, among other things:

i. contemplate the acquisition of all or substantially all of the Woodington Estates Assets and the Business Assets;

ii. be compliant, in all respects, with the Sale Process procedures and any additional terms and conditions communicated by the Receiver/Sales Officer to bidders;

iii. include a letter confirming that the bid was irrevocable until selection of the successful bid and, if selected, irrevocable through closing of the transaction;

iv. include a duly authorized and executed transaction agreement on the template form provided (or otherwise acceptable to the Receiver/Sales Officer), together with all schedules and exhibits, clearly specifying the purchase price and all material terms;

v. provide a detailed purchase price allocation;

vi. clearly set out, among other things, the assets included in and excluded from the transaction, the consideration to be paid, the proposed transaction structure and sources of financing, all conditions, approvals and closing requirements, the liabilities and obligations to be assumed and excluded, employees to be assumed, and all other material terms;

vii. identify the bidder, its principals, beneficial owners, guarantors (if any), and authorized representatives;

viii. include evidence satisfactory to the Receiver/Sales Officer of the bidder's financial ability to complete the transaction;

ix. be accompanied by a deposit in the form of a certified cheque, bank draft or wire transfer of immediately available funds equal to at least ten percent (10%) of the total consideration;

x. not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent (save and except for approval by the Court); and

xi. only contemplate an acquisition on an "as is, where is" basis and include an acknowledgement that the bidder has relied solely on its own independent review and investigation and that it has not relied on any representation by Woodington Estates, 785, Woodington Management or the Receiver/Sales Officer, or their respective agents, employees, or advisors.

j. the Receiver/Sales Officer could, in its discretion, request revisions or supplementations to any Qualified Bid and/or waive strict compliance with any one or more of the Bid Requirements and deem a non-compliant Bid to be a Qualified Bid. For the avoidance of doubt, if multiple Bids were received, the Receiver/Sales Officer had no obligation to exercise its discretion or

authority under this provision in respect of all Bids received even if such authority or discretion was exercised by the Receiver/Sales Officer in respect of any one Bid received.

**Results of the Sale Process**

33. A summary of the results of the Sale Process is as follows:

    a. a total of seventy-eight (78) parties executed NDAs and were provided access to the EDR. Throughout the course of the Sale Process, the Receiver/Sales Officer and Broker facilitated due diligence for prospective bidders, as required, with the assistance of the Debtors' controller (the "**Controller**") and other employees of Woodington Management and 785;

    b. nine (9) prospective bidders attended site tours; and

    c. eight (8) parties submitted offers by the Extended Bid Deadline (collectively, the "**Initial Offers**").

34. A summary setting out the key terms of the Initial Offers (the "**Initial Bid Summary**") is attached hereto as **Confidential Appendix "1"**. For the reasons set out later in this Second Report, the Receiver/Sales Officer recommends that the Initial Bid Summary be filed under seal pending closing of the Transaction or further order of the Court.

**Events Following the Extended Bid Deadline**

35. As is common in similar sale processes approved by the Court, the Sale Process was structured to provide the Receiver/Sales Officer with a measure of flexibility in its administration, recognizing that the efficient and value-maximizing realization of the assets being marketed may require the Receiver/Sales Officer to exercise its professional judgment in response to evolving circumstances. Specifically, the Sale Process provided the Receiver/Sales Officer with the authority to:

    a. negotiate and to seek clarification of, or improvements to, a Bid upon receipt;

    b. seek additional information and clarification from bidders as it deems necessary or appropriate in respect of their offers at any time;

    c. request revisions or supplementations to any Qualified Bid;

    d. subject to the Sales Officer Appointment Order, or other order of the Court, adopt such other rules for, or extend any deadlines in the Sale Process that it believes, in its sole discretion, will better promote the goals of the Sale Process, provided that if such modification or amendment materially deviates from the Sale Process, such modification or amendment may only be made with the written consent of the Sales Officer, or by order of the Court; and

    e. attempt to negotiate and improve any Qualified Bid, while being under no obligation to designate any Qualified Bid as the Winning Bid.

36. As noted above, as of the Extended Bid Deadline, eight (8) offers were submitted.

37. Following discussions among the Receiver/Sales Officer, its counsel and the Broker, and in consultation with counsel to Eisen and Goldy, as is common in these types of sale processes, it was determined that the Receiver/Sales Officer, in coordination with the Broker, would reject all but the three highest-value offers (collectively, the "**Subject Offers**"), and engage with the parties (and/or their professional representatives) that submitted the Subject Offers. The purpose of such engagement was, among other things, to clarify and confirm material terms of the Subject Offers, request payment of deposits in compliance with the Sale Process where such deposits had not been provided, and to gauge the parties' interest in improving the terms of their offers, with a particular focus on increasing the purchase price. The Subject Offers are summarized as follows:

    a. an offer from a third-party golf course operator (the "**Insufficient-Deposit Offer**");

    b. the initial offer from John, in trust for a corporation to be named at a later date (the "**Initial Chetti Offer**"); and

    c. the initial offer from the Purchaser (the "**Initial Purchaser Offer**").

38. Following the Extended Bid Deadline, on October 29, 2025, the Sales Officer also received an offer from Leadout Capital Inc. ("**Leadout**"), a party that the Receiver/Sales Officer understood to be affiliated with John.

39. The events following the Extended Bid Deadline in connection with the Subject Offers, and the offer submitted by Leadout, are discussed below.

**Events from Mid-October to Mid-November**

<u>The Insufficient-Deposit Offer</u>

40. Despite being one of the three highest offers received under the Sale Process, the Insufficient-Deposit Offer was not compliant with the Bid Requirements as the deposit delivered therewith represented only 5% of the offered consideration, rather than the required minimum deposit of at least 10%.

41. Notwithstanding the foregoing, the Receiver/Sales Officer, in consultation with the Broker and in exercising its business judgment, engaged in discussions with this bidder to clarify and assess the terms of the Insufficient-Deposit Offer including, without limitation, whether they would be willing to increase both its deposit and the proposed purchase price.

42. Ultimately, following a series of communications among this bidder, the Receiver/Sales Officer and the Broker, the said offeror did not provide the remaining deposit or increase the purchase price. As these terms of the Insufficient-Deposit Offer were either non-compliant with the Sale Process or non-competitive, the Insufficient-Deposit Offer was rejected effective October 21, 2025.

The Initial Chetti Offer

43. The Initial Chetti Offer reflected the highest purchase price across all offers submitted as of the Extended Bid Deadline. However, the Initial Chetti Offer was not compliant as no deposit accompanied the bid. Instead, the Initial Chetti Offer contemplated a deposit equal to approximately 1.8% of the purchase price, to be funded from 785's cash on hand. The Initial Chetti Offer also included a conditional 30-day period to, among other things, permit the parties to negotiate and agree upon an allocation of the purchase price. The Receiver/Sales Officer was concerned that a conditional bid without a deposit posed a material closing risk. Furthermore, permitting a bidder to fund a required deposit from the cash on hand of the company it proposes to acquire would, in effect, result in the bidder financing its own purchase.

44. On October 15, 2025, the Broker wrote to John's agent, Christos Zaremis, advising, among other things, that the Initial Chetti Offer was not accompanied by the appropriate deposit and requested that same be paid by October 17, 2025 at 12:00 p.m. (Toronto time) otherwise, the offer would be disqualified from consideration (the "**October 15 Broker Email**"). A copy of the October 15 Broker Email is attached as **Appendix "G"**.

45. On October 16, 2025, Mr. Zaremis responded to the October 15 Broker Email (the "**October 16 Zaremis Email**") requesting that the Broker confirm that the Initial Chetti Offer will be accepted or signed back if the deposit is provided.

46. Later on October 16, 2025, the Broker responded to the October 16 Zaremis Email (the "**October 16 Broker Email**") advising that the submission of the appropriate deposit is required under the Sale Process and no assurances could be given at that time that the Initial Chetti Offer would be the winning bid in the Sale Process should it be rendered compliant. In addition, the October 16 Broker Email advised that the Receiver/Sales Officer agreed to extend the deposit submission deadline in respect of the Initial Chetti Offer to 5:00 p.m. on October 20, 2025, to provide additional time to arrange for funding.

47. Following delivery of the October 16 Broker Email, the Broker and Mr. Zaremis attended a call to discuss the matter. A further email from Mr. Zaremis was sent to the Broker on October 16, 2025, requesting clarification on the procedures under the Sale Process (the "**Second October 16 Zaremis Email**").

48. On October 17, 2025, the Broker responded to the Second October 16 Zaremis Email to clarify that the Sale Process requires receipt of a compliant deposit before a bid can be advanced, and reminded Mr. Zaremis of the October 20 deadline for the submission of the Initial Chetti Offer deposit. A copy of the thread of email correspondence between the Broker and Mr. Zaremis between October 15, 2025 and October 17, 2025, redacted to remove the proposed deposit amount, is attached hereto as **Appendix "H"**.

49. Following additional correspondence between the Receiver/Sales Officer and John, a copy of which is attached hereto as **Appendix "I"**, a call was arranged among the Receiver/Sales Officer, A&B, the Broker and John on October 20, 2025 for the purpose of discussing the Initial Chetti Offer and the timing of receipt of the deposit thereunder. During the call, John requested an extension of the deadline to submit the deposit. The Sales Officer agreed to extend the deadline 24-hours to 5:00 p.m. on October 21, 2025, which was communicated in an email from the Broker to John later on October 20, 2025 (the "**October 20 Broker Email**"). A copy of the October 20 Broker Email is attached hereto as **Appendix "J"**. The October 20 Broker Email also advised that if the deposit was not received by the October 21, 2025 deadline, the Initial Chetti Offer would be rejected.

50. On October 21, 2025, Mr. Zaremis sent a further email to the Broker, a copy of which is attached hereto as **Appendix "K"**, to request a further extension of the deposit submission deadline to October 23, 2025 at 3:00 p.m.

51. Ultimately, no deposit in respect of the Initial Chetti Offer was received by the Receiver/Sales Officer.

The Leadout Offer

52. Late on October 22, 2025, Mr. Zaremis emailed the Broker again advising, among other things, that his "client has revised their bid and sent to their lawyer Gowling LLP for review". The email also stated "[the bid] will be sent to you tomorrow afternoon, and the deposit will be sent to you as well before end of day". A copy of this email is attached hereto as **Appendix "L"**. Nothing further was received by the Broker or Receiver/Sales Officer on October 23, 2025.

53. On October 24, 2025, Mr. Zaremis again emailed the Broker stating "Please see attached correspondence with respect to John Chetti formal offer. It is still at the lawyers for review. These 3 items will be amended in the offer. Bank account is attached for deposit verification." (the "**October 24 Zaremis Email**") The attachment was a bank statement for Leadout. The three (3) items to be amended were: (i) the deposit provision, to clarify that there will be approximately 45 days for due diligence, during which time, the deposit would be fully refundable at the sole discretion of the Purchaser (being Leadout, in trust for John Chetti or a corporation to be named), (ii) the assignment provision, so that the agreement may be fully assigned and (iii) the addition of clarifying language confirming that an assignment of the agreement fully releases the assignor from all liability. A copy of the October 24 Zaremis Email is attached hereto as **Appendix "M"**.

54. On October 29, 2025, the Receiver/Sales Officer received an email from Brian Suta of Leadout, which attached a signed agreement of purchase and sale dated October 29, 2025 (the "**Leadout Offer**"). The Purchaser contemplated in the Leadout Offer was noted as "Leadout Capital Inc., for a corporation to be named or assigned". Following subsequent discussions with Mr. Suta, the Receiver/Sales Officer was advised that Leadout and John had an arrangement whereby the Leadout Offer was being made for or on behalf of John (or a company controlled by him) and Leadout

intended to provide acquisition financing for the deal. The Leadout Offer contemplated a lower purchase price as compared to the Initial Chetti Offer and provided for a 45-day conditional period to allow time for Leadout to perform due diligence before agreeing to provide financing. Concurrently with the submission of the Leadout Offer, Leadout delivered a deposit in the amount required under the Sale Process, which was paid to A&B, in trust.

55. Following receipt of the Leadout Offer, A&B, on behalf of the Receiver/Sales Officer, requested a call with Gowling WLG (Canada) LLP ("**Gowling**"), counsel to Leadout, to discuss and clarify, on a without prejudice basis, certain aspects of the Leadout Offer. That call was held on November 1, 2025.

56. In the period following submission of the Leadout Offer, the Receiver/Sales Officer, together with its counsel and advisors, engaged in a series of communications, including telephone calls, correspondence and without-prejudice discussions, with representatives of Leadout and John. These discussions were undertaken for the purpose of clarifying material terms of the Leadout Offer, including details surrounding the intended source of funds, addressing identified issues and conditions, and assessing whether revisions could be made to the bid that would result in a transaction that was commercially reasonable, compliant with the Sale Process, and capable of being supported by the Receiver/Sales Officer. A without-prejudice proposal was also presented in connection with the Leadout Offer, which the Receiver/Sales Officer understands was ultimately not feasible and, accordingly, not pursued further.

57. On November 13, 2025, John delivered correspondence to the Receiver/Sales Officer alleging improprieties in the conduct of the Sale Process, asserting collusion and favouritism, and threatening litigation and public dissemination of those allegations unless unspecified demands were met within a compressed timeframe. On November 14, 2025, counsel to the Receiver/Sales Officer responded, advising that the Receiver/Sales Officer categorically disagreed with John's characterization of the Sale Process, was unaware of any factual basis for the allegations asserted, and had carried out its Court-appointed mandate fairly, transparently, and in accordance with the Sale Process, and with the objective of maximizing value for stakeholders. The response further confirmed that any proposed transaction for the sale of the Woodington Estates Assets and the Business Assets would be subject to Court approval, that stakeholders, including John, would have the opportunity to raise objections before the Court, and that the Receiver/Sales Officer's accounts would likewise be subject to Court approval. The foregoing correspondence is attached hereto as **Appendix "N"**.

58. Later on November 14, 2025, Mr. Chetti requested a telephone call with the Sales Officer to discuss his concerns. Counsel to the Receiver/Sales Officer advised John to convey his wishes in writing. Immediately thereafter, John advised that he wished to withdraw from the process and requested the return of the deposit under the Leadout Offer. John then sent a series of additional communications

threatening litigation and indicating an intention to contact media outlets regarding his allegations. A copy of this correspondence is attached hereto as **Appendix "O"**.

59. On the same date, John also transmitted a WhatsApp message to a representative of the Receiver/Sales Officer attaching an audio recording of a without-prejudice telephone call between the Receiver/Sales Officer and John. The representative of the Receiver and Sales Officer was not advised that he was being recorded, and the Receiver and Sales Officer is unaware of whether there are further recordings made by John, including those possibly made during confidential or without prejudice discussions.

60. Further combative WhatsApp messages were sent to the Receiver/Sales Officer's representative, including: (i) on November 16, 2025, in which John provided screenshots of correspondence that he had sent to a media reporter, in which he alleged "major fraud" in these proceedings and inquired whether the reporter was interested in "breaking" the story, and (ii) on November 17, 2025, threatening litigation against the Receiver and Sales Officer. A copy of these messages are attached hereto as **Appendix "P"**.

61. In light of the foregoing, and to confirm the status of the transaction, the Receiver and Sales Officer and its counsel communicated directly with Leadout. A&B wrote to John on November 17, 2025 to advise of same. In response, John delivered a further email to A&B in which, among other things, he reiterated threats of litigation and public disclosure and repeated his ongoing allegations concerning the conduct of the Receiver/Sales Officer in carrying out its Court-ordered mandate.

62. By email dated November 18, 2025, Mr. Suta of Leadout advised A&B that Leadout had not withdrawn its offer and confirmed that the Receiver/Sales Officer should continue to take instructions directly from Leadout regarding the Leadout Offer and the deposit thereunder.

<u>The Purchaser's Initial Offer</u>

63. On or around October 27, 2025, the Sales Officer and the Purchaser's counsel, Osler Hoskin & Harcourt LLP ("**Osler**"), held a without prejudice call to discuss the terms of the Purchaser's Initial Offer and to advise that the Sales Officer intended to send a counter-offer in respect of same.

64. The counter-offer was sent to Osler on or about October 28, 2025, which proposed to materially increase the purchase price and amend certain other terms of the agreement. The purchase price was increased to an amount commensurate with the Initial Chetti Offer, which, despite being notably non-compliant with the Sale Process procedures, had been the highest dollar value bid received to date.

65. A revised offer in response to the Sales Officer's counter-offer was delivered to the Sales Officer on November 3, 2025, which contained an increased purchase price from the Initial Purchaser Offer (the "**Revised Purchaser Offer**"), as noted in the Confidential Appendices.

The Proposed Credit Bid

66. Due to Goldy's position as a fulcrum secured creditor over the Real Property, and in light of the fact that Goldy risked suffering a material loss in a sale within these proceedings, the Receiver/Sales Officer advised Goldy of the proposed purchase price contained in the Revised Purchaser Offer in order to determine whether he would be supportive of such a transaction.

67. Following these discussions, Goldy, through its counsel, advised the Receiver/Sales Officer that it was unsatisfied with the quantum of the purchase price in the Revised Purchaser Offer and that it would be working towards submitting a credit bid in the Sale Process. In doing so, Goldy advanced a deposit to the Receiver/Sales Officer on November 14, 2025 in an amount equal to 10% of its proposed credit bid. In light of this development, the Receiver/Sales Officer advised Goldy that its submission of a credit bid would limit the information that Goldy could receive in respect of the Sale Process as Goldy would then be considered a potential bidder.

68. However, a credit bid from Goldy did not materialize. In parallel with formulating its credit bid, the Receiver/Sales Officer understands that, Goldy engaged in discussions with the Purchaser regarding its interest in acquiring the Golf Club and its appetite to come to an agreeable arrangement, which would meaningfully increase the proposed purchase price, as an alternative to Goldy submitting a credit bid. The Receiver/Sales Officer was not party to these discussions. The Receiver/Sales Officer understands that through these discussions, the parties reached agreement on an arrangement that resulted in a material increase in the purchase price offered by the Purchaser.

**Events from Mid-November to the End of the Sale Process**

69. As of the third week of November 2025, there remained three prospective bidders in the Sale Process: Leadout, the Purchaser and Goldy in respect of its proposed credit bid.

70. As a means to bring finality to the process and advance a transaction, A&B contacted each of these parties on November 21, 2025 to advise that no bid had yet been selected as the winning bid in the Sale Process and that the Receiver/Sales Officer was formally extending the bid deadline for such parties to November 28, 2025 at 5:00 p.m. (the "**Final Bid Deadline**"). The prospective purchasers were further advised that any bid submitted should include a proposed allocation in respect of the Woodington Estates Assets and the Business Assets.

71. In its communication to Leadout, A&B further advised that the Leadout Offer was not compliant with the Sale Process requirements and that any revised bid, should it wish to submit one, must conform to the Sale Process requirements, including, but not limited to:

    a. the inclusion of a proposed allocation in respect of the Woodington Estates Assets and the Business Assets;

b. the removal of any condition or contingency relating to due diligence or financing or any other material conditions precedent to the bidder's obligation to complete the proposed transaction; and

c. the inclusion of evidence of the bidder's ability to fund the transaction.

72. As of the Final Bid Deadline, the following parties submitted final offers: (i) the Purchaser, which offer, among other things, provided for an increased purchase price from the Revised Purchaser Offer (the "**Final Purchaser Offer**"), and (ii) Leadout, which terms remained materially unchanged from the Leadout Offer (the "**Final Leadout Offer**").

73. A summary setting out the key terms of the Final Purchaser Offer and the Final Leadout Offer (the "**Final Bid Summary**") is attached hereto as **Confidential Appendix "2"**. For the reasons set out later in this Second Report, the Receiver/Sales Officer recommends that the Final Bid Summary be sealed pending closing of the Transaction or further order of the Court.

74. On December 3, 2025, A&B wrote to Leadout to advise that the Final Leadout Offer was not compliant with the Sale Process. Among other things, the Final Leadout Offer contained a due diligence period, was not accompanied by a proposed allocation of the purchase price, and did not provide sufficient evidence of available funding to close the proposed transaction, as had been requested. As such, the Final Leadout Offer was rejected and Leadout's deposit was returned.

75. On the same day, A&B wrote to Purposeful's counsel to advise that the Receiver and Sales Officer intended to move forward with the Final Purchaser Offer. After further negotiation between the parties, the APS was executed.

**Late Offer of John Chetti**

76. On January 14, 2026 (the date the APS was signed), the Receiver/Sales Officer received an email from Mr. Zaremis, which attached a further offer from John (in trust for a company to be incorporated). While the offer provided an increased purchase price as compared to the Leadout Offer, the offer was delivered well after the Final Bid Deadline and did not include a deposit. In addition, the offer contemplated that the Court would be a party to the agreement and included a 30-day conditional period during which the transaction would be subject to "satisfactory review and approval" by the Court, the Receiver/Sales Officer and the purchaser.

77. On January 16, 2026, the Receiver/Sales Officer wrote to Mr. Zaremis to advise, among other things, the offer did not comply with the Sale Process and would be rejected.

## VI. THE TRANSACTION AND APS

78. The APS contemplates the acquisition of the Purchased Assets (as defined in the APS), including the Real Property and substantially all the property used in the business by the Debtors, with a view to continuing the business as a going concern. Capitalized terms not otherwise defined in this section have the meanings given to them in the APS, a redacted copy of which is attached hereto as **Appendix "Q"**. The only redactions to the APS are in respect of the Purchase Price (and the allocation thereof) and the Deposit or certain terms relating to the consideration provided under the Transaction. An unredacted copy of the APS is attached hereto as **Confidential Appendix "3"** and is being filed with the Court on a confidential basis for the reasons described later in this Second Report.

79. The key terms and conditions of the APS are provided below:

a. **Purchaser**: Purposeful Group Ltd.;

b. **Purchased Assets**: substantially all the assets, property and rights of the Debtors, including the Woodington Estates Assets, the Business Assets and the Turfcare Agreements, as specifically detailed in Schedule B to the APS, but excluding the Excluded Assets;

c. **Excluded Assets**: includes all cash and cash equivalents and short-term investments held by or on behalf of the Debtors, any insurance proceeds or benefits relating to the Real Property or other Purchased Assets attributable to periods prior to Closing (except as otherwise provided in the APS), all funds or deposits held in trust for the Debtors by third parties, and any HST refunds owing to the Debtors in respect of periods up to and including Closing;

d. **Assumed Liabilities**: all liabilities arising and accruing in respect of the Purchased Assets and the Assumed Contracts from and after Closing, provided such liabilities do not relate to any default existing at, prior to, or arising as a consequence of Closing, together with the liabilities under the Turfcare Agreements, and any other liabilities expressly agreed to be assumed by the Purchaser in writing on or before the Closing Date;

e. **Purchase Price**: comprising the aggregate of the following amounts (the "**Purchase Price**"):

i. the value of the Assumed Liabilities, which includes, among other liabilities, the obligations of the Debtors owing under the Turfcare Agreements; and

ii. cash consideration, which, for the reasons noted below, the Receiver/Sales Officer recommends be sealed pending closing of the Transaction (the "**Cash Portion**");

f. **Deposit**: the Purchaser has paid a deposit, which remains in the Receiver's trust account (the "**Deposit**"). The Deposit is to be applied against the Cash Portion of the Purchase Price on closing;

g. **Purchase Price Allocation**: the APS provides for a purchase price allocation as between the Woodington Estates Assets and the Business Assets. Notwithstanding this allocation, the APS further provides that the distribution of any proceeds from the Purchased Assets remains subject to further order of the Court;

h. **Purchase Price Adjustments**: the APS provides that all items of income and expense relating to the Purchased Assets will be adjusted as of Closing in accordance with transactions of this nature, with the Vendor responsible for expenses and entitled to revenues up to and including the day immediately preceding the Closing Date and the Purchaser responsible for expenses and entitled to revenues from and after the Closing Date. The Vendor is required to deliver a draft statement of adjustments and supporting calculations at least five (5) business days prior to Closing. Where any adjustment cannot be finally determined at Closing, a reasonable estimate will be made, with any final adjustments or corrections to be completed within thirty (30) days following Closing, failing which no further re-adjustment may be claimed, and any unresolved disputes are to be finally determined by an independent national firm of chartered professional accountants, whose determination shall be final and binding on the parties;

i. **Assumed Contracts**: the Purchaser must deliver written notice to the Vendor no later than five (5) Business Days prior to the hearing of the Approval and Vesting Order identifying any contracts it elects to assume on Closing, failing which the Purchaser will be deemed not to have assumed any contracts other than the Turfcare Agreements. In respect of contracts requiring third-party consent to be assigned, the Vendor is required to use commercially reasonable efforts to obtain such consent in accordance with the applicable contract terms, but is not required to incur any out-of-pocket costs to do so. If a required third-party consent is not obtained, the Purchaser may elect to pursue such consent directly, and the Vendor will seek Court approval to assign the contract without consent as part of the Approval and Vesting Order. If neither consent nor Court approval is obtained, the contract will not be assigned and will cease to be a Purchased Asset without any adjustment to the Purchase Price; however, to the extent permitted by applicable law, the Vendor will, at the Purchaser's request and expense, use commercially reasonable efforts to facilitate the Purchaser's receipt of the contract pending assignment, including acting as agent or holding the contract in trust, and remitting to the Purchaser any funds received thereunder after Closing. Any cure costs required to assign an Assumed Contract are payable by the Purchaser as a condition of assignment, from the Purchase Price, up to a maximum amount of $100,000;

j. **Representations and Warranties**: consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties;

k. **Closing Date**: the earlier of: (i) thirty (30) days following the date of the Approval and Vesting Order; or (ii) a date as the Vendor and Purchaser may agree upon in writing, but in any event

no later than the Outside Date (i.e. **March 13, 2026** or such other date as the parties may agree);

l. **Material Conditions**: include, *inter alia*:

For the Benefit of Both Parties

i. the Approval and Vesting Order shall have been granted by the Court;

For the Benefit of the Purchaser

i. the representations and warranties of the Vendor contained in the APS shall be true and correct as of the Closing Date in all material respects;

ii. the Vendor shall have fulfilled or complied with all covenants and obligations contained in the APS as required;

iii. on Closing, title to the Real Property shall be free of all Encumbrances other than the Permitted Encumbrances;

iv. on Closing, no legal or regulatory action or proceeding shall have been commenced by any third party, nor any injunction awarded and continuing in force, to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets; and

v. the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 10.2 of the APS; and

For the Benefit of the Vendor

i. all the representations and warranties of the Purchaser contained in the APS shall be true and correct in all material respects on the Closing Date;

ii. the Purchaser shall have fulfilled or complied with all covenants and obligations contained in the APS as required;

iii. the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 10.3 of the APS, including payment of any remaining balance of the Purchase Price; and

iv. the Vendor has not lost its ability to convey the Purchased Assets due to an order of the Court; and

m. **Termination**: the APS can be terminated:

i. if mutually agreed between the Vendor and the Purchaser, in writing, provided, however, that if the APS has been approved by the Court, any such termination shall require the approval of the Court;

ii. the Purchaser may terminate the APS upon written notice if the Vendor commits an unwaived material breach that is not curable, or is not cured within the applicable cure period following written notice, or after the Outside Date if the Approval and Vesting Order has not been obtained or Closing has not occurred by the Outside Date for reasons not attributable to the Purchaser; and

iii. the Vendor may terminate the APS upon written notice if the Purchaser commits an unwaived material breach that is not curable, or is not cured within the applicable cure period following written notice, or after the Outside Date if the Approval and Vesting Order has not been obtained or Closing has not occurred by the Outside Date for reasons not attributable to the Vendor.

**Receiver/Sales Officer's Recommendation Regarding the Transaction**

80. The Receiver/Sales Officer recommends that the Court issue an order approving the Transaction for the following reasons:

a. the Receiver/Sales Officer is of the view that the Sale Process was conducted in accordance with the terms of the Sales Officer Appointment Order (and Sale Process procedures) and in a commercially reasonable manner, including the timelines, breadth of the Broker's canvassing of the market, the information made available to interested parties (including the information in the EDR), and the availability of the Receiver/Sales Officer and Broker, with the assistance of the Controller and other employees of Woodington Management/785, for due diligence requests, meetings and site tours;

b. the Sale Process was not rushed, but rather involved extensive discussions and engagement among the Receiver/Sales Officer, the Broker, interested parties, and key stakeholders, and reflects a deliberate and thorough effort to test the market and maximize value for the benefit of stakeholders;

c. the Transaction provides for superior overall recoveries when compared to all offers received in the Sale Process, taking into account both the purchase price and the certainty of closing;

d. the terms of the APS as it relates to the purchase price allocation do not prejudice the rights of any party, as the distribution of proceeds generated from the Transaction remain subject to Court approval;

e. the terms of the APS are commercially reasonable;

f. the timely closing of the Transaction increases the likelihood that the Purchaser will be ready to operate in time for the commencement of the 2026 golf season. This is critical to preserving value of the Purchased Assets. Failure to close in a timely manner could result in a material reduction in value;

g. enforcement proceedings in respect of the Woodington Estate Assets have been ongoing for a significant period of time, with Goldy having commenced enforcement efforts initially in August 2023 and again in December 2023, and Eisen commencing the receivership proceedings in or about August 2024. Certain secured obligations have therefore remained outstanding for a considerable duration, and approval of the Transaction represents a necessary and appropriate step toward realizing on the assets and facilitating repayment to creditors;

h. the consideration to be received under the Transaction is materially greater than the appraised value of the Golf Club and the related assets, pursuant to an appraisal obtained by the Receiver/Sales Officer dated August 18, 2025 (the "**Appraisal**"), further supporting the conclusion that the Transaction represents fair market value and an optimal outcome in the circumstances. A copy of the Appraisal, which is attached hereto as **Confidential Appendix "4"** (collectively with Confidential Appendix "1", Confidential Appendix "2" and Confidential Appendix "3", the "**Confidential Appendices**"), is being filed on a confidential basis for the reasons stated below; and

i. Eisen and Goldy, being the senior secured lenders of Woodington Estates (and Woodington Management/785 in the case of Eisen), support the Transaction.

**Sealing Order**

81. The Receiver/Sales Officer notes that it is seeking a sealing order with respect to the following documents: the Initial Bid Summary, the Final Bid Summary, the Appraisal, and the APS (solely as it relates to the Purchase Price, allocation thereof, and the Deposit). The Initial Bid Summary, the Final Bid Summary, the Appraisal and certain sections of the APS contain commercially sensitive information. In the event that the APS is breached and/or terminated for any reason, another sale process to realize on the Woodington Estates Assets and Business Assets may be required. If the sensitive information contained in the Initial Bid Summary, the Final Bid Summary, the Appraisal and the APS, is not sealed until the Transaction closes or until further Order of the Court, future bidders would have access to commercially sensitive information that could prejudice any future marketing efforts, including the purchase price that was accepted by the Receiver/Sales Officer.

82. In the Receiver's/Sales Officer's view, no party will be prejudiced if the information is temporarily sealed at this time and the benefits of sealing such information from the public record greatly outweigh the detrimental impacts releasing such information could have, should the Transaction not

close. The Receiver/Sales Officer is of the view that the sealing of the Confidential Appendices is consistent with the current jurisprudence. Accordingly, the Receiver/Sales Officer believes the proposed sealing of the Confidential Appendices is appropriate in the circumstances.

## VII. PROPOSED DISTRIBUTION

83. The Transaction provides for cash consideration materially in excess of the obligations owing under the Eisen Mortgage. Following completion of the Transaction and subject to Court approval, the Receiver/Sales Officer intends to distribute to Eisen an amount up to the secured indebtedness owing under the Eisen Mortgage, subject to holding back sufficient funds from the net proceeds to satisfy prior-ranking claims, including the Receiver's Charge, Sales Officer's Charge, Receiver's Borrowing Charge and Sales Officer's Borrowing Charge (as defined in the Receiver Appointment Order and Sales Officer Appointment Order), as well as any potential priority claims of the CRA, the Town, and other parties holding valid registered security over the Woodington Estates Assets or the Business Assets.

84. As discussed above and in the Prior Reports, Eisen holds a first-ranking mortgage over the Woodington Estates Assets and also holds a general security agreement over the Business Assets pursuant to the Eisen GSA (the priority of which remains under review). While the APS includes a purchase price allocation, the allocation is not determinative for Eisen's recovery on the Eisen Mortgage. The Transaction proceeds, in the aggregate, are sufficient to satisfy all known claims that may rank in priority to the Eisen Mortgage.

85. The Receiver has received a security opinion with respect to the Eisen Mortgage from the Receiver's counsel. The Receiver's counsel has opined that, subject to standard assumptions and qualifications, the Eisen Mortgage as registered on title to the Real Property, is valid and enforceable.

86. Based on the foregoing, the Receiver/Sales Officer recommends that this Honourable Court issue an order authorizing and directing the Receiver/Sales Officer to distribute funds generated from the Transaction, to Eisen.

87. The Receiver/Sales Officer further submits that making the proposed distribution to Eisen at this time, rather than deferring payment pending a further Court hearing, is appropriate and in the best interests of the estate. Interest continues to accrue on the Eisen Mortgage on a daily basis, and any delay in satisfying the Eisen indebtedness would result in an increase in the secured claim, thereby reducing the funds ultimately available for distribution to subordinate creditors. A prompt distribution to Eisen therefore mitigates ongoing interest accrual and preserves value for the benefit of the broader creditor body.

## VIII. UPDATE ON THE MONITORING MANDATE

88. Pursuant to the Sales Officer Appointment Order, the Sales Officer was authorized, among other things, to:

    a. monitor the operations of the Golf Club business and the financial affairs of Woodington Management and 785; and

    b. exercise control over all receipts and disbursements of the Golf Club business, while permitting Woodington Management and 785 to pay reasonable ordinary course expenses, subject in all cases to the oversight and approval of the Sales Officer.

89. In summary, following its appointment, the Sales Officer implemented a monitoring protocol for the receipts and disbursements of Woodington Management and 785. In the course of carrying out the Monitoring Mandate, 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. The Sales Officer also identified significant tax compliance deficiencies. As described below, the Sales Officer took steps to safeguard the Debtors' cash and ensure transparency and control over financial affairs, including obtaining signing authority over the operating account, assuming responsibility for deposits, remitting payroll source deductions, filing outstanding tax returns, and determining appropriate management compensation.

### Monitoring Protocol

90. Shortly after the issuance of the Sales Officer Appointment Order, the Sales Officer formalized a checklist of accounting documentation to be provided by Woodington Management and 785, or the appropriate representative thereof (the **"July 2025 Checklist"**), a copy of which is attached as **Appendix "R"**. The purpose of the July 2025 Checklist was to establish a standardized and ongoing reporting framework to support the Monitoring Mandate.

91. The Sales Officer met with management and the Controller throughout July 2025 to explain the Monitoring Mandate, discuss the July 2025 Checklist, and establish timelines and protocols for the delivery of information. During these initial meetings, management was reminded of its obligation to provide access, information and cooperation to the Sales Officer pursuant to the Sales Officer Appointment Order, including through facilitating and attending regular in-person meetings and weekly site visits.

92. As part of the monitoring protocol, the Sales Officer reviewed supporting documentation for transactions processed through the 785 Account commencing July 1, 2025, and required that disbursements in excess of $10,000 be subject to prior review and approval. The Sales Officer also

monitored cash sales activity and accounts receivable collections to assess whether transactions were occurring in the reasonable ordinary course of the business.

93. As described below, based on its findings, the Sales Officer enhanced the monitoring protocol, including by assuming signing authority over the 785 Account, expanding documentation requirements to all Golf Club receipts and disbursements, and directly depositing cash and cheques received from customers.

**Sales Officer's Findings**

Improper Withdrawals, Cash Handling and Cash Misappropriation

94. In carrying out the Monitoring Mandate, the Sales Officer identified numerous withdrawals from the 785 Account for which management was unable to provide supporting documentation or evidence of a bona fide business purpose. As at August 1, 2025, the Sales Officer had identified four withdrawals totaling $220,000 processed between July 7 and July 17, 2025 (the **"July Withdrawals"**), as follows:

**Summary of July Withdrawals**
**(in CAD$; unaudited)**

| Date | Amount | Explanation from Controller |
|---|---|---|
| 07-Jul-25 | 60,000 | "draft sent to offset debt owing" |
| 07-Jul-25 | 40,000 | "draft sent to offset debt owing" |
| 14-Jul-25 | 10,000 | "loan to Joe" |
| 17-Jul-25 | 110,000 | "$ sent to Prudent" |
| **Total** | **220,000** | |

95. The explanations recorded in the accounting records for these withdrawals were based solely on verbal descriptions provided by members of the Chetti family to the Controller. No supporting bank transfer documentation was available to confirm the recipients or purpose of the funds.

96. One of the identified withdrawals in the amount of $110,000 dated July 17, 2025, as set out above, was processed after the issuance of the Sales Officer Appointment Order and after the implementation of the Sales Officer's approval protocol requiring review of disbursements exceeding $10,000. As a result, the Sales Officer emailed Mrs. Chetti seeking supporting documentation and clarification with respect to the July Withdrawals. Copies of this correspondence are appended to this Second Report as **Appendix "S"**.

97. On August 6, 2025, the Sales Officer compiled and sent to Mrs. Chetti a further comprehensive list of 35 withdrawals processed from the 785 Account between July 1 and August 6, 2025, including the July Withdrawals (the "**July & August Withdrawals**"), and requested documentation substantiating the purpose and recipients of each transaction. While the Controller transcribed verbal explanations provided by members of the Chetti family into the bookkeeping records, she confirmed that she had

not received bank records or other documentary support to verify the accuracy of those explanations. A copy of the Sales Officer's August 6, 2025 correspondence and a schedule setting out the July & August Withdrawals, which was attached to the correspondence, is attached hereto as **Appendix "T"**.

98. Having not received a response to the August 6, 2025 correspondence, the Sales Officer's counsel sent a letter on August 8, 2025 to the Debtors' counsel, a copy of which is attached hereto as **Appendix "U"**, requesting that the July Withdrawals be returned to the 785 Account pending substantiation. In a subsequent response dated August 14, 2025, Blaney advised that the Debtors were in the process of itemizing and explaining the transactions, citing various personal circumstances. Despite repeated follow-ups during the Sales Officer's weekly site visits and meetings with management, documentation substantiating these withdrawals was not provided.

99. In light of the above events, signing authority over the 785 Account was transferred to the Sales Officer on or about August 14, 2025. Following this transfer, the Sales Officer continued its review of historical transactions and, on September 4, 2025, provided Mrs. Chetti with an updated list of 53 withdrawals covering the period July 1 to August 25, 2025 (the **"July & August Withdrawals Updated List"**), attached hereto as **Appendix "V"**. Although the Sales Officer had obtained bank account signing authority by that time, the July & August Withdrawals Updated List identified eight withdrawals totaling $45,000 processed between August 19 and 21, 2025 without its authorization. Upon investigation, these transactions were determined to have occurred as a result of a bank error that temporarily reinstated account access to Mrs. Chetti, which the Sales Officer promptly addressed upon discovery.

100. In addition to unsupported/unsubstantiated bank account withdrawals, the Sales Officer identified issues relating to cash handling and collections of accounts receivable. Based on a review of daily cash sales reports, general ledger entries, discussions with the Controller and third-party email correspondence, the Sales Officer identified approximately $44,000 of cash sales occurring between July 1 and September 30, 2025 that were not deposited into the 785 Account and were understood to have been retained by members of the Chetti family (the "**Personally Retained Amounts**"). A summary of the Personally Retained Amounts is attached hereto as **Appendix "W"**. One of the items included in the Personally Retained Amounts was approximately $8,800 of proceeds from a tournament at the Golf Club. Based on third-party correspondence provided to the Sales Officer, which states that the customer would be, "settling the balance directly with John C. as per [their] conversation with him [that] morning", approximately $8,800 in business proceeds appears to have been paid directly to John. A copy of that correspondence is attached hereto as **Appendix "X"**.

101. On October 10, 2025, the Sales Officer emailed Mrs. Chetti (the "**October 10 Email**") with a further detailed summary of its concerns, including the following: (i) an updated list of 57 withdrawals between July 1 and September 30, 2025 of which the Sales Officer was not provided with supporting

documentation (the "**October 9 List**", attached hereto as **Appendix "Y"**); and (ii) the Personally Retained Amounts. In the October 10 Email, the Sales Officer advised Mrs. Chetti that, as of that date, approximately $354,000 of withdrawals between July 1 and September 30, 2025 (the "**Unsubstantiated Withdrawals**") had not been substantiated with supporting documentation, and requested that she provide such documentary support and return any funds improperly withdrawn or retained.

102. During meetings in November and December 2025, Mrs. Chetti advised the Sales Officer that certain withdrawals may relate to the repayment of funds advanced to the business by herself, Mr. Chetti, or entities that they control. While supporting documentation was described as being under review by Blaney, the Sales Officer has not been provided with any documentation in that regard to date.

103. In summary, based on the foregoing, and taking into account the Unsubstantiated Withdrawals (of approximately $354,000), and the Personally Retained Amounts (of approximately $44,000), the Sales Officer determined that approximately $397,000 in funds during the period July 1 to September 30, 2025 were improperly withdrawn from the 785 Account, misappropriated and/or insufficiently supported to confirm that they were incurred in the reasonable ordinary course of the Golf Club business.

104. As of the date of this Second Report, the Sales Officer has not received supporting documentation or an otherwise comprehensive written response addressing these matters.

Unfiled Tax Returns and CRA Remittances

105. In August 2025, the Sales Officer contacted the CRA to confirm the status of GST/HST, payroll source deductions and corporate income tax filings for Woodington Management and 785, having identified an absence of remittances in the accounting records reviewed.

106. The CRA confirmed significant compliance deficiencies, including long-outstanding GST/HST and payroll arrears for Woodington Management, and that 785 had not filed GST/HST returns, payroll remittances or corporate tax returns since incorporation. More specifically, CRA confirmed as of August 26, 2025:

    a. Woodington Management had filed GST/HST returns only up to December 31, 2022. As of August 26, 2025, approximately $1.3 million remained in arrears for unremitted GST/HST, including net tax, interest and penalties as a result of assessments from GST/HST filings up to December 2022 and arbitrary assessments for unfiled periods thereafter;

    b. Woodington Management had been delinquent with payroll source deduction payments throughout the 2025 year, along with having payroll arrears outstanding since 2020 amounting to approximately $420,000. The Sales Officer was able to confirm from internal payroll records

provided from Woodington Management that there was an additional $185,000 (approximately) in unremitted payroll source deductions for the period of January 1 to July 30, 2025; and

c. Woodington Management had filed a T2 corporate income tax return only up to the December 31, 2018 fiscal year-end. The CRA had not assessed Woodington Management any corporate income tax.

107. The CRA further confirmed with the Sales Officer that 785 had not filed any GST/HST returns, corporate tax returns or payroll remittances since the entity was incorporated in 2023.

108. Additional GST/HST filings were also outstanding for Woodington Estates. These findings are discussed further below in connection with the corrective actions taken by the Sales Officer.

**Courses of Action Taken by the Sales Officer**

109. In response to its findings and in furtherance of the Monitoring Mandate, the Sales Officer implemented the following measures:

a. **Control over bank accounts** – As noted above, on or about August 14, 2025, the Sales Officer obtained full signing authority over the 785 Account to mitigate the risk of further dissipation of assets. Thereafter, all disbursements were reviewed and processed under the Sales Officer's authority and supervision;

b. **Enhanced documentation and approvals** – The Sales Officer revised its documentation checklist in August 2025 to require comprehensive weekly reporting of Golf Club receipts and disbursements expected to be received/paid. All disbursements, including management and employee reimbursements, were permitted only where supported by appropriate and sufficient documentation;

c. **Cash and cheque deposits** – Commencing August 27, 2025, the Sales Officer assumed responsibility for depositing cash and cheques into the 785 Account on a weekly basis. No undeposited cash sales have been identified after that date;

d. **CRA remittances and filings** – Beginning August 28, 2025, the Sales Officer remitted ongoing payroll source deductions to the CRA for Woodington Management. Upon request from the CRA to file outstanding GST/HST returns for Woodington Estates covering the 2025 calendar year, the Sales Officer proceeded to file same based on expenses incurred by Woodington Estates related to the receivership proceedings; and

e. **Management compensation** – at various times during the Monitoring Mandate, Mrs. Chetti had requested that the Sales Officer approve an appropriate level of compensation in connection with her involvement in managing the operations and affairs of the Golf Club. Mrs. Chetti never historically received a salary from Woodington Management or 785. In any event, on November 19, 2025, the Sales Officer agreed that, in consideration of her ongoing

involvement with the Golf Club, it would approve payments towards a salary to Mrs. Chetti equal to $5,000 (gross) per month, effective July 1, 2025. The Sales Officer further agreed to approve payments towards her salary of an additional $5,000 (gross) per month (also effective July 1, 2025) on the condition that the Sales Officer receive the requested supporting documentation, or otherwise sufficient explanations, for withdrawals from the 785 Account. Mrs. Chetti agreed to the proposed salaries, and on December 19, 2025, the Sales Officer approved a salary cheque to Mrs. Chetti for approximately $24,000 (representing gross pay from July 1 onwards, net of payroll source deductions).

110. The Sales Officer continues to monitor the Debtors' operations and financial affairs and will report further to the Court as appropriate.

111. Based on the foregoing, the Sales Officer's monitoring revealed material deficiencies in financial controls, documentation practices, and tax compliance at Woodington Management and 785. Moreover, significant transactions could not be substantiated as being in the reasonable ordinary course of the Golf Club business. While certain explanations have been verbally advanced, the Sales Officer has not been provided with sufficient documentation to verify these assertions or to reconcile the identified cash withdrawals, retained cash sales, and collections of accounts receivable. The Sales Officer's enhanced oversight measures were therefore necessary to preserve the integrity of the Debtors' operations, safeguard cash, and ensure transparency and accountability pending further direction from the Court.

## IX. OTHER MATTERS: IRREGULARITIES REGARDING FINANCIAL STATEMENTS

112. The Receiver addressed certain irregularities in the First Report with respect to the unaudited financial statements it received for Woodington Management for the fiscal years ended December 31, 2022 and December 31, 2023. The Receiver further noted in its Supplementary First Report that it received unaudited statements for Woodington Management for the fiscal year ended December 31, 2024. The unaudited financial statements received for fiscal years ended December 31, 2022, 2023 and 2024 are collectively referred to as the **"WMI Notice to Reader Statements".**

113. On December 9, 2025, the Receiver/Sales Officer obtained copies from the CRA of the GST/HST returns filed for Woodington Management for years 2018 to 2022. As previously noted in this Second Report, the CRA confirmed that Woodington Management had not filed GST/HST returns subsequent to 2022. The GST/HST return filed for 2018 was nil.

114. The Receiver/Sales Officer further obtained a copy of Woodington Management's internal accounting records, which had the 785 Account reconciled up to November 25, 2025.

115. The Receiver compared the annual sales revenue reported on the WMI Notice to Reader Statements to both (i) the sales figures reported on the GST/HST returns filed with the CRA, and (ii) the sales figures reported in Woodington Management's internal accounting records, as follows:

**Woodington Management**
**Annual Sales Revenue ($) by Document Comparison**

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 (Jan 1 to Nov 25) |
|---|---|---|---|---|---|---|---|
| (1) Notice to Reader Statements | N/A* | N/A* | N/A* | 7,297,059 | 9,044,265 | 8,164,320 | N/A* |
| (2) Internal Accounting Records | 2,204,594 | 3,428,778 | 3,309,050 | 3,631,300 | 4,348,664 | 4,427,699 | 4,063,124 |
| (3) GST/HST Returns | 1,976,217 | 3,424,732 | 3,276,392 | 3,554,909 | N/A* | N/A* | N/A* |
| **Variance Between (1) and (2)** | | | | **- 3,665,759** | **- 4,695,601** | **- 3,736,621** | |
| **Variance Between (1) and (3)** | | | | **- 3,742,150** | | | |
| **Variance Between (2) and (3)** | **228,378** | **4,046** | **32,657** | **76,390** | | | |
| *N/A - not available | | | | | | | |

116. As illustrated in the summary above, there appears to be significant variances existing in fiscal year 2022 between the sales revenue reported on the WMI Notice to Reader Statements, the sales revenue reported in Woodington Management's internal accounting records and the sales revenue reported on Woodington Management's GST/HST returns. There also appears to be significant variances existing in fiscal years 2023 and 2024 between the sales revenue reported on the WMI Notice to Reader Statements and the sales revenue reported on Woodington Management's internal accounting records.

117. The Receiver/Sales Officer has not reconciled the variance based on the information in the summary, above. The Receiver/Sales Officer will further review these variances and report on its findings, if any, in a subsequent report to the Court.

## X. ACTIVITIES OF THE RECEIVER AND SALES OFFICER

118. The activities of the Receiver from the Filing Date to the date of the Supplementary First Report were previously reported in the First Report and the Supplementary First Report. The Second Supplementary First Report and the Third Supplementary First Report each provide an update to the Court regarding the activities of the Receiver in respect of its mandate to monitor the affairs of Woodington Management and 785, pursuant to the endorsement of Justice Black released on June 2, 2025, a copy of which is attached hereto as **Appendix "Z"**. As such, those details are not repeated herein.

119. Subject to the foregoing, and as otherwise described throughout the Second Report, the Receiver's activities since the date of the Supplementary First Report, as well as those of the Sales Officer since the date of the Sales Officer Appointment Order, have included, among other things, the following:

**Sale Process Activities**

a. corresponding and attending meetings with Mrs. Chetti, John, the Controller, other employees of 785/Woodington Management, A&B, Blaney, Chaitons and Goodmans regarding various matters in connection with the Sale Process;

b. corresponding with Windsor periodically to provide status updates regarding the Sale Process;

c. reviewing and commenting on iterations of the Sale Process procedures and structure, and corresponding with A&B, Blaney, the Debtors, Chaitons and Goodmans regarding same;

d. corresponding with Windsor to arrange funding pursuant to a Sales Officer's Certificate in accordance with the Sales Officer Appointment Order. Since the date of the Sales Officer Appointment Order, the Sales Officer has borrowed $400,000 from Windsor by way of such certificates (this is in addition to the $250,000 previously borrowed from Eisen under a Receiver's Certificate in accordance with the Receiver Appointment Order);

e. reviewing an appraisal of the Golf Club equipment assets;

f. communicating with realtors regarding the submission of proposals for the purpose of retaining a listing agent and reviewing proposals submitted in respect of same;

g. negotiating and finalizing a listing agreement between the Receiver/Sales Officer and the Broker;

h. corresponding extensively with the Broker regarding all aspects of the Sale Process;

i. reviewing and commenting on the Broker's marketing materials, prospective buyer listing and MLS listing, among other materials;

j. arranging for an advertisement of the Sale Process to be published in Insolvency Insider for five (5) consecutive weeks;

k. reviewing and commenting on the form of asset purchase agreement (and supporting schedules) to be used as the template for any offers received, and corresponding with A&B and the Broker regarding same;

l. engaging CBRE Limited (the "**Appraiser**") to prepare an appraisal of the Golf Club (including the Real Property), reviewing the Appraiser's report in respect of same, corresponding with the Appraiser and facilitating access to the Golf club and other diligence activities;

m. corresponding with and facilitating diligence for prospective bidders in the Sale Process;

n. coordinating with the Broker, A&B, Blaney and prospective buyers regarding the bid deadline in connection with the Sale Process;

o. reviewing offers received in the Sale Process (including revised offers subsequently submitted), and the Initial Bid Summary prepared by the Broker, and corresponding with the Broker and A&B regarding same;

p. performing analyses and preparing a schedule setting out the estimated priority payables and waterfall analysis, and corresponding with A&B regarding same;

q. dealing with matters and corresponding with various parties/representatives in connection with the Insufficient-Deposit Offer, Initial Chetti Offer, the Leadout Offer, the Final Leadout Offer, the Initial Purchaser Offer, the Revised Purchaser Offer and the Final Purchaser Offer, as detailed earlier in the Second Report;

r. negotiating, in consultation with A&B, the APS;

s. corresponding with the Ministry of the Environment, Conservation and Parks regarding Woodington Management's water permit;

t. responding to various enquiries from interested parties, and others in connection with the Sales Process;

u. engaging Segal Valuation and Transaction Advisory LP ("**SVP**") to perform a valuation (the "**Valuation**") of the Golf Club business, and dealing with various matters in connection with same, including corresponding and meeting with SVP, facilitating diligence and other activities in connection with the Valuation mandate, and reviewing analyses and findings, including a draft valuation report;

v. reviewing letters from John's counsel related to intentions to advance litigation against the Receiver/Sales Officer;

w. dealing with other matters in connection with the Sales Officer's execution of the Sale Process not specifically set out above or earlier in the Second Report;

**Monitoring Mandate Activities**

x. attending at the Golf Club on a weekly basis since July 17, 2025 (until in/around November 2025, where attendance was approximately every two-weeks) to carry out activities in connection with the Monitoring Mandate, including meeting with Mrs. Chetti, John, the Controller and other individuals/employees of the Golf Club, reviewing/analyzing accounting and other records and processing disbursements of the Golf Club;

y. preparing control procedures, information requests and protocols in connection with the Monitoring Mandate, and corresponding with the Debtors, Blaney and A&B regarding same;

z. corresponding regularly with Mrs. Chetti, Blaney and John to arrange for the review of documentation in connection with the Monitoring Mandate and corresponding with A&B regarding same, including with respect to communications sent to the Debtors by or on behalf of the Receiver/Sales Officer by A&B;

aa. reviewing Woodington Management's biweekly payroll reports for the purpose of approving employee paycheques and executing payment of bimonthly payroll source deductions to the CRA;

bb. reviewing and analyzing bank statements, credit card statements, internal bookkeeping records and supporting bills/receipts of Woodington Management/785 to approve receipts and disbursements, and identify transactions outside of the ordinary course of business in connection with the Monitoring Mandate;

cc. reviewing historical unaudited financial statements for Woodington Management for the purpose of understanding the affairs of Woodington Management/785 in connection with the Monitoring Mandate and to compare such records to Woodington Management's internal bookkeeping records;

dd. reviewing accounting records provided by Mrs. Chetti to substantiate withdrawals made from 785's bank account after July 1, 2025 in connection with the Monitoring Mandate;

ee. attending meetings with representatives at BNS to transfer banking signing authority of the 785 Account to the Sales Officer;

ff. communicating with the former accountant of the Debtors to obtain historical tax filing and financial statement information;

gg. communicating with the CRA to confirm the status of filings and outstanding tax balances for Woodington Estates, 785 and Woodington Management and to proceed with filing outstanding GST/HST returns for Woodington Estates;

hh. corresponding with Mrs. Chetti, Blaney and the Controller in connection with Mrs. Chetti's compensation;

ii. dealing with other matters in connection with the Monitoring Mandate not specifically set out above or otherwise discussed earlier in this Second Report;

**General Activities**

jj. corresponding with A&B, Chaitons and Goodmans, regarding all aspects of the Receiver's and Sales Officer's mandate;

kk. attending at Court on April 2, 2025, May 30, 2025, June 9, 2025 and January 21, 2026 for the Case Conferences;

ll. attending at Court on July 15, 2025 for the appointment of AGI as Sales Officer and the issuance of the Sales Officer Appointment Order;

mm. reviewing motion records, affidavits, aide memoire's, factums, orders, and endorsements brought forth in these proceedings, and addressing other matters regarding same, including reviewing related materials and corresponding with A&B, the Debtors, Blaney and the Debtors' stakeholders;

nn. reviewing information on proposed refinancing transactions presented by various members of the Chetti family;

oo. reviewing the closing book in respect of the acquisition of the Golf Club by the Debtors (or their predecessors) and corresponding with A&B, Chaitons, and Goodmans regarding same, as well as Gowling, the lawyer for the Debtors (or their predecessors) at the time of the acquisition;

pp. corresponding with Aon Parizeau Inc./Aon Reed Stenhouse Inc, the insurance broker engaged by the Receiver in respect of insurance coverage over the Real Property;

qq. reviewing a statement of claim issued by Sylvio Construction regarding the lien it registered against the Real Property, and corresponding with A&B regarding same;

rr. corresponding with Crowe Soberman Inc. and the Office of the Superintendent of Bankruptcy regarding the BIA proposal filed by John, which went into default in September 2023, and remains in default;

ss. establishing and maintaining the Receiver's trust bank account and paying post-filing expenses therefrom;

tt. maintaining the Case Website;

uu. responding to enquiries from creditors, interested parties and other stakeholders;

vv. drafting the Second Supplementary First Report, the Third Supplementary First Report and this Second Report;

ww. preparing the Interim SRD; and

xx. dealing with all other matters pertaining to the administration of the Receiver's and Sales Officer's mandates not specifically set out above.

## XI. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

120. Attached as **Appendix "AA"** is a copy of the Interim SRD setting out the cash receipts and disbursements in the Receiver's estate bank account for the period from the Appointment Date to January 23, 2026. As set out in the Interim SRD, there is approximately $25,000 of cash in the estate.

## XII. RESPONSE TO 785's MOTION REGARDING WITHDRAWAL OF FUNDS

121. On January 19, 2026, 785 served the 785 Motion seeking an order, among other things, requiring the Sales Officer to return funds drawn from the 785 Account in order to pay certain of the Sales Officer's and its counsel's fees and disbursements incurred in connection with these proceedings. A case conference before Justice Black in respect of the 785 Motion, *inter alia*, was scheduled and held on January 21, 2026 (the "**January 21 Case Conference**").

122. Following service of the 785 Motion, A&B wrote to 785's counsel (the "**January 19 A&B Email**"), setting out the Sales Officer's position on the matter. A copy of the January 19 A&B Email is attached hereto as **Appendix "BB"**.

123. Following the January 21 Case Conference, Justice Black released an endorsement on January 23, 2026, a copy of which is attached hereto as **Appendix "CC"**, directing the 785 Motion to be heard on February 4, 2026 (the "**February 4 Hearing**"), unless the parties are able to resolve the issue prior thereto.

124. Since the January 21 Case Conference, the Receiver/Sales Officer has proposed a "With Prejudice" commercial resolution by way of a "Reimbursement Agreement" whereby the funds paid from the 785 Account toward the Receiver/Sales Officer's, and its counsel's, fees and disbursements would be returned in the event that such fees and disbursements are not approved by the Court, or to the extent that such funds are required for the ongoing operations of Woodington Management and/or 785 in excess of the funds presently in the 785 Account. This proposal was communicated to counsel for the Debtors' and remains available for acceptance until one minute before the commencement of the February 4 Hearing.

125. Counsel for the Receiver/Sales Officer and counsel for the Debtors have exchanged correspondence addressing the Sales Officer's analysis of the Golf Club's near-term cash requirements, together with the historical cash balances maintained by the Debtors during prior off-season periods. As reflected in that correspondence, the Sales Officer's projected off-season cash requirements are materially lower than the funds presently on hand, and, based on a review of the Debtors' records for the preceding three fiscal years, the Debtors historically maintained during the off-season with cash balances that were significantly lower than the amount currently on deposit.

126. As of the date of the Second Report, the parties continue to engage in discussions regarding a potential commercial resolution of the 785 Motion.

## XIII. REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

127. The Receiver/Sales Officer and its counsel, A&B, have maintained detailed records of their professional fees and disbursements prior to and since the Appointment Date.

128. In accordance with paragraphs 18, 19 and 20 of the Receiver Appointment Order and 16, 17 and 18 of the Sales Officer Appointment Order, the Receiver/Sales Officer has been authorized to periodically pay its fees and disbursements, and that of its counsel, subject to approval by the Court.

129. The Receiver/Sales Officer and A&B will be providing further details on such fees and disbursements, along with fee affidavits, in a supplemental report to the Court to be filed in connection with these proceedings.

## XIV. RECOMMENDATION AND CONCLUSION

130. Based on all of the foregoing, the Receiver/Sales Officer respectfully recommends that this Honourable Court grant the AVO and the Distribution and Ancillary Order.

All of which is respectfully submitted this 26th day of January 2026.

Albert Gelman Inc.

**ALBERT GELMAN INC.,**
**solely in its capacity as**
**Receiver of Woodington Estates Inc. and**
**Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited**
**and not its personal or any other capacity**

# APPENDIX “L”

ALBERT GELMAN

# SUPPLEMENTARY SECOND REPORT OF ALBERT GELMAN INC. AS RECEIVER OF WOODINGTON ESTATES INC. AND SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND 1000736785 ONTARIO LIMITED

**JANUARY 28, 2026**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

**Respondents**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**SUPPLEMENTARY SECOND REPORT OF ALBERT GELMAN INC. IN ITS CAPACITY AS RECEIVER AND SALES OFFICER**

**JANUARY 28, 2026**

## I. INTRODUCTION AND PURPOSE

1. This report (the "**Supplementary Second Report**") supplements the Second Report of the Receiver and Sales Officer dated January 26, 2026 (the "**Second Report**").

2. A copy of the Second Report, without appendices, is attached hereto as **Appendix "A"**. A copy of the Second Report, with appendices, is available on the Receiver's/Sales Officer's website at https://www.albertgelman.com/filedocuments/.

3. Capitalized terms not defined in this Supplementary Second Report have the meanings given to them in the Second Report.

4. Unless otherwise stated, this Supplementary Second Report is subject to the scope and terms of reference in the Second Report.

### Purpose of the Supplementary Second Report

5. The purpose of this Supplementary Second Report is to provide the Court with information pertaining to the following:

   a. the accounts of the Receiver and Sales Officer and that of its legal counsel, Aird & Berlis LLP ("**A&B**"), in respect of fees and disbursements incurred in these proceedings. As noted in the Second Report, the Receiver/Sales Officer is seeking the Distribution and Ancillary Order, *inter alia*, approving the fees and disbursements of the Receiver/Sales Officer and A&B, as set out herein; and

   b. the Receiver's/Sales Officer's views regarding the affidavit of John Chetti sworn January 27, 2026 (the "**Affidavit**"), filed in response to the Receiver's/Sales Officer's motion seeking, among other relief, the AVO.

## II. REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

6. The Receiver/Sales Officer and its counsel, A&B, have maintained detailed records of their professional fees and disbursements prior to and since the Appointment Date.

7. In accordance with paragraphs 18, 19 and 20 of the Receivership Order and 16, 17 and 18 of the Sales Officer Appointment Order, the Receiver/Sales Officer has been authorized to periodically pay its fees and disbursements, and that of its counsel, subject to approval by the Court.

8. The Receiver's/Sales Officer's professional fees incurred for services rendered during the period from November 11, 2024 to December 31, 2025 amount to $404,364.00, plus disbursements in the amount of $1,086.12 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Receiver's/Sales Officer's

professionals is described in the affidavit of Adam Zeldin, sworn January 28, 2026, attached hereto as **Appendix "B"**.

9. The fees of A&B for services rendered for the period from November 25, 2024 to November 30, 2025 total $374,165.50, plus disbursements in the amount of $3,464.54 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by A&B's professionals is described in the affidavit of Steven Graff, sworn January 28, 2026, attached hereto as **Appendix "C"**.

10. The Receiver/Sales Officer has reviewed A&B's accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable.

## III. RESPONSE TO AFFIDAVIT

11. The Receiver/Sales Officer has reviewed the Affidavit. The Affidavit is replete with inaccuracies, misrepresentations, statements taken out of context, and unsupported assertions that do not reflect the reality of the Sale Process or the conduct of the Receiver/Sales Officer and its representatives. For clarity, the Receiver/Sales Officer does not intend to address each of the specific statements contained in the Affidavit. The decision not to respond to each such allegation should not be construed as agreement with, acknowledgement of, or acceptance of any of the contents of the Affidavit.

12. At all times, the Receiver/Sales Officer and its advisors acted in good faith and with the objective of enhancing realization for stakeholders, while ensuring that the Sale Process was conducted fairly, transparently, and in accordance with the Sale Process procedures and Sales Officer Appointment Order. The Receiver/Sales Officer consistently sought to facilitate participation from all interested parties, including John, and made reasonable efforts to keep them informed throughout the process.

13. In that regard, the Receiver/Sales Officer engaged extensively with John in an effort to facilitate the submission of a bid that complied with the requirements of the Sale Process. Despite these good-faith efforts, neither John or Leadout ever submitted a bid that complied with the Sale Process. In particular, the bids submitted either failed to include the required deposit, were conditional on due diligence, lacked sufficient evidence of available funding to close and/or were not accompanied by a proposed allocation of the purchase price, contrary to the express requirements of the Sale Process, as advised on numerous occasions by the Receiver/Sales Officer, including through its counsel.

14. The Affidavit further suggests that the Receiver/Sales Officer improperly disclosed information regarding other bids, including the assertion at paragraph 9 which states that the proposed purchase price of other bids, along with the identity of a particular bidder (Bruno Schickedanz), was shared with John. This allegation is incorrect and unsupported. Not only did Mr. Bruno Schickedanz not submit a bid in the Sale Process (it remains unclear to the Receiver/Sales Officer who this individual

is), at no time did the Receiver/Sales Officer disclose confidential bid information to any party other than those whose support or whose endorsement was reasonably required to facilitate the completion of a transaction, and only to the extent reasonably necessary to obtain such support or endorsement. This approach is customary and appropriate in sales processes of this nature.

15. Furthermore, it is the Receiver/Sales understanding that John himself engaged or attempted to engage in negotiations with Kenneth Gold ("**Mr. Gold**"). On November 6, 2025, John sent the Receiver/Sales Officer a proposed arrangement which required significant financial participation from Goldy and was intended to be implemented in the event the Leadout Offer was selected as the successful bid. The Receiver/Sales Officer reviewed the proposal, which was stated as being between John and Mr. Gold, and, with John's permission, shared same with counsel to Goldy (Goodmans). The Receiver/Sales Officer understands the proposal was ultimately deemed not feasible, was unsupported by Goldy, and accordingly, was not pursued further.

16. Separately, and as is also customary in sales processes of this nature, the Receiver/Sales Officer kept certain key stakeholders, namely Eisen and Goldy, whose cooperation or consent was considered critical by the Receiver/Sales Officer in order to consummate a transaction, informed of material developments in the Sale Process. This was done in order for the Receiver/Sales officer to carry out its mandate, fulfill its duty to stakeholders, and to facilitate execution certainty and maximize realizations – not to advantage or disadvantage any particular bidder. Accordingly, the allegations set out in the Affidavit are without merit and are not supported by the facts or the record of the Sale Process.

17. As is further detailed in the Second Report, the Receiver/Sales Officer, has confirmed that John is insolvent as a result of filing a proposal under Part III, Division I of the BIA in 2021, which proposal went into default in 2023 and remains in default. At no time during the Sale Process was this information disclosed to the Receiver/Sales Officer by John. This raises questions regarding, among other things, John's ability to consummate a transaction.

All of which is respectfully submitted this 28th day of January 2026

Albert Gelman Inc.

**ALBERT GELMAN INC.,**
**solely in its capacity as**
**Receiver of Woodington Estates Inc. and**
**Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited**
**and not its personal or any other capacity**

# APPENDIX “M”

ALBERT GELMAN

# THIRD REPORT OF
# ALBERT GELMAN INC.
# AS RECEIVER OF WOODINGTON ESTATES INC. AND
# SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND
# 1000736785 ONTARIO LIMITED

**MARCH 4, 2026**

Court File No.: CV-24-00725570-00CL

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

**B E T W E E N:**

**MELVYN EISEN, TRUSTEE**

**Applicant**

**- and -**

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

**Respondents**

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SUBSECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

# THIRD REPORT OF ALBERT GELMAN INC.
# IN ITS CAPACITY AS RECEIVER AND SALES OFFICER

**MARCH 4, 2026**

## I. INTRODUCTION

1. This report (the "**Third Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its Court-appointed capacities as: (i) receiver (in such capacity, the "**Receiver**") without security, of the assets, undertakings and properties of Woodington Estates Inc. ("**Woodington Estates**") and (ii) sales officer (in such capacity, the "**Sales Officer**"), without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**Woodington Management**") and 1000736785 Ontario Limited ("**785**", and collectively with Woodington Estates and Woodington Management, the "**Debtors**").

2. On the application of Melvyn Eisen, as trustee ("**Eisen**"), and pursuant to an Order (the "**Receiver Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Trial Court**") dated December 2, 2024 (the "**Appointment Date**"), AGI was appointed as Receiver of the property, assets and undertakings of Woodington Estates (the "**Woodington Estates Assets**"), which includes the real property known municipally as 7110 4th Line, Tottenham, Ontario (the "**Real Property**"), under section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 101 of the *Courts of Justice Act* (Ontario) (the "**CJA**"). A copy of the Receiver Appointment Order is attached hereto as **Appendix "A"**.

3. Pursuant to an Order of the Trial Court dated July 15, 2025 (the "**Sales Officer Appointment Order**"), AGI was appointed as the Sales Officer of the property, assets and undertakings of Woodington Management and 785 (collectively, the "**Business Assets**") under section 101 of the CJA. The Sales Officer Appointment Order, *inter alia*: (i) approved a process to solicit interest in a transaction to acquire the Woodington Estates Assets and the Business Assets (the "**Sale Process**") and (ii) authorized and empowered the Sales Officer to control the receipts and disbursements and monitor the affairs of Woodington Management and 785 (the "**Monitoring Mandate**"). A copy of the Sales Officer Appointment Order is attached hereto as **Appendix "B"**.

4. Woodington Estates is the registered and beneficial owner of the Real Property, upon which a thirty-six-hole golf course, approximately 32,000 square foot clubhouse facility and supporting infrastructure known as the "Woodington Lake Golf Club" is situated and from which a golf club business is operated (the "**Golf Club**"). The Golf Club is operated and overseen by Woodington Management and/or 785.

5. The primary purpose of these proceedings was to conduct the Sale Process. In that regard and as more fully discussed in the second report of the Receiver and Sales Officer dated January 26, 2026 (the "**Second Report**"), the Receiver and Sales Officer, as vendor (together in such capacity, the "**Vendor**") and Purposeful Group Ltd., as purchaser ("**Purposeful**" or the "**Purchaser**"), entered into an agreement of purchase and sale dated January 14, 2026 (the "**APS**") for the sale of substantially all of the Woodington Estates Assets and the Business Assets (the "**Transaction**"), conditional only

on Court approval. A redacted copy of the APS is attached hereto as **Appendix "C"**. The only redactions to the APS are in respect of the Purchase Price (as defined in the APS) and the allocation thereof, and the Deposit (as defined in the APS) or certain terms relating to the consideration provided under the Transaction.

6. On February 10, 2026, the Honourable Justice Black of the Trial Court released an endorsement (the "**February 10 Endorsement**"), among other things, granting an approval and vesting order dated February 4, 2026 (the "**AVO**"), *inter alia*, approving the APS and the Transaction. Copies of the AVO and the February 10 Endorsement are attached hereto as **Appendix "D"** and **Appendix "E"**, respectively.

7. On February 23, 2026, the Honourable Justice Black released a further endorsement (the "**February 23 Endorsement**"), *inter alia*:

   a. authorizing the Receiver and Sales Officer to make a distribution to Eisen as set out in the Second Report, from the net proceeds of the Transaction;

   b. approving the Prior Reports (as defined below) including the actions, activities and conduct of the Receiver and Sales Officer described therein;

   c. approving the Interim SRD;

   d. approving the fees and disbursements of the Receiver/Sales Officer and A&B; and

   e. sealing the Confidential Appendices to the Second Report until closing of the Transaction

   A copy of the February 23 Endorsement is attached hereto as **Appendix "F"**.

8. To date, AGI, in its capacity as Receiver, has filed two reports and four supplementary reports with the Trial Court, summarized as follows (collectively, the "**Prior Reports**"):

   a. the Receiver's first report to Trial Court dated January 27, 2025 (the "**First Report**");

   b. the Receiver's supplementary First Report dated May 13, 2025 (the "**Supplementary First Report**");

   c. the Receiver's second supplementary First Report dated June 20, 2025 (the "**Second Supplementary First Report**");

   d. the Receiver's third supplementary First Report dated July 10, 2025 (the "**Third Supplementary First Report**");

   e. the Second Report; and

   f. the Supplementary Second Report of the Receiver and Sales Officer dated January 28, 2026 (the "**Supplementary Second Report**").

9. Copies of the First Report, the Supplementary First Report, the Second Supplementary First Report, the Third Supplementary First Report, the Second Report and the Supplementary Second Report, each without appendices, are attached hereto as **Appendix** "**G**", **"H"**, **"I"**, **"J"**, **"K"**, and **"L"**, respectively. Copies of the Prior Reports, with appendices, are available on the Case Website (as defined below).

10. The Receiver and Sales Officer has established a case website at https://www.albertgelman.com/filedocuments (the "**Case Website**"), where copies of Orders and other materials pertaining to these proceedings are available in electronic form.

## II. PURPOSE OF THIS REPORT

11. The purpose of this Second Report is to provide the Ontario Court of Appeal with information pertaining to the following:

    a. relevant background regarding the Debtors and these proceedings;

    b. the Receiver's/Sales Officer's ongoing efforts to move to close the Transaction; and

    c. the Appeal (as defined and discussed herein) and the Receiver's/Sales Officer's motion for:

        i. an order declaring that there is no automatic right to appeal the AVO under section 193 of the BIA and that leave is required;

        ii. an order that leave should not be granted;

        iii. an order declaring that the Appeal is governed by the BIA; and

        iv. costs of this motion on a scale that is just.

## III. SCOPE AND TERMS OF REFERENCE

12. In preparing this Third Report, the Receiver/Sales Officer has relied upon certain unaudited financial information, the Debtors' books and records, discussions with certain principals of the Debtors, the Debtors' finance and other employees, the Debtors' legal counsel (Blaney McMurtry LLP, "**Blaney**") and other stakeholders and individuals with knowledge of the Debtors' affairs.

13. While the Receiver/Sales Officer has reviewed the various documents and other information obtained from the Debtors and other parties, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**") or otherwise. Accordingly, the Receiver/Sales Officer expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.

14. This Third Report has been prepared for the use of this Ontario Court of Appeal and the Debtors' stakeholders as general information relating to the Debtors and to assist the Ontario Court of Appeal in making a determination of whether to grant the relief sought. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Receiver/Sales Officer will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.

15. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

16. Capitalized terms not otherwise defined in this Third Report (including above) have the meanings given to them in the Second Report.

## IV. BACKGROUND

17. A detailed background regarding the Debtors, their creditors and events leading to the Receivership Application, Receiver Appointment Order and Sales Officer Appointment Order is included in the Prior Reports and detailed discussion is not repeated herein to avoid duplication. A brief summary of such background is included below.

### Background Regarding the Debtors

18. Woodington Estates is a privately-held Ontario corporation and has been the registered owner of the Real Property since January 11, 2019.

19. As more fully discussed in the Prior Reports, the Receiver/Sales Officer understands that the Golf Club was owned and operated by Woodington Management beginning in or around January 2019 until the operations were purportedly transferred to 785 in early December 2023, as represented by the Debtors. As further noted in the Prior Reports, the Receiver requested, but was never provided, documentation to support the transfer of the Golf Club assets/business from Woodington Management to 785.

20. As discussed in the Second Report, in carrying out the Monitoring Mandate, the Receiver observed that the Golf Club's accounting records, cheques, payroll reports, T4s issued to employees, and sales and vendor invoices have been issued under the name Woodington Management or the operating name, "Woodington Lake Golf Club". All operating activity of the Golf Club business, as well as its known assets and liabilities, are recorded in the Woodington Management accounting system. As at the date of the Sales Officer Appointment Order, the Golf Club business was transacting day-to-day operations under one bank account in the name of 785 (the "**785 Account**") held at The Bank of Nova Scotia ("**BNS**"). The Receiver/Sales Officer understands that this account was opened in February 2025. The Receiver/Sales Officer understands that prior to this date, the Golf Club business was previously transacting day-to-day operations under another bank account held at the Toronto-Dominion Bank registered under Woodington Management.

21. There is further indication from observing the Golf Club's accounting records that the Golf Club business had operated other bank accounts for day-to-day operations held at National Bank of Canada ("**NBC**") during fiscal years 2023 and 2024. It is currently unknown to the Receiver/Sales Officer which entity the NBC account was held under.

22. Joseph (Joe) Chetti ("**Mr. Chetti**") was the sole director of Woodington Estates and understood to be its sole owner. In September 2025, Mr. Chetti suddenly passed away. During the months leading up to and since his passing, other members of Mr. Chetti's family, including his spouse, Frances Chetti ("**Mrs. Chetti**"), and son, John Chetti ("**John**"), have participated in the management of the operations and affairs of the Golf Club under the oversight of the Sales Officer. Mr. Chetti was also the sole director of Woodington Management and understood to be its sole owner. Mrs. Chetti is also understood to be the sole director and owner of 785.

23. As discussed in detail in the Second Report, John participated (either directly or indirectly) as a bidder in the Sale Process. As further discussed in the Second Report and Supplementary Second Report, the Receiver/Sales Officer understands that John is insolvent as a result of filing a proposal under Part III, Division I of the BIA, which is currently in default, a fact that John at no time disclosed to the Receiver/Sales Officer.

**Creditors – Woodington Estates**

24. Full particulars of Woodington Estates' secured creditors and other potential priority claimants as known/understood as at the Appointment Date are set out in the First Report, including details regarding the nature, amount, and priority of their respective claims. To summarize, as at the Appointment Date, the secured creditors/potential priority claimants of Woodington Estates include:

    a. Eisen – in respect of a first-ranking mortgage in the principal amount of $11.5 million (the "**Eisen Mortgage**"), secured against the Real Property and the Golf Club (as discussed in the Supplementary First Report, the Receiver became aware in May 2025 that Woodington Management granted a general security agreement over the Business Assets in favour of Eisen (the "**Eisen GSA**") to secure the obligations owing under the Eisen Mortgage);

    b. Goldy – in respect of a second-ranking mortgage in the principal amount of $5.5 million, secured against, among other things, the Real Property and a general security agreement over all contracts, chattels, fixtures and leasehold improvements located at or upon, or relating to, the Real Property;

    c. Eisen – in respect of a third-ranking charge/mortgage in favour of Eisen and Windsor II Limited Partnership ("**WLP**"), a fund controlled by Windsor Private Capital ("**Windsor**"), in the principal amount of $5.0 million, as security for an advance under a loan made by Eisen and WLP to another entity controlled by Mr. Chetti that owns the lands and premises municipally known as 11720 Highway 27, Vaughan, Ontario;

d. The Corporation of the Town of New Tecumseth (the "**Town**") – in respect of unpaid property taxes on the Real Property. The Receiver was provided with a statement of account from the Town, which indicates that, as at October 31, 2025, approximately $269,000 was owing to the Town in respect of property taxes; and

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

**Creditors – Woodington Management/785**

25. The Receiver understands the following creditors have a registered security against Woodington Management/785:

a. Care Lending Group Inc. o/a Turf Care Financial ("**Turf Care**") – in respect of a general security agreement granted by Woodington Management to secure the obligations of Woodington Management under various equipment leases (collectively, the "**Equipment Leases**"). The equipment subject to the Equipment Leases comprises various golf course maintenance and other equipment used in the Golf Club business. The Equipment Leases were financed by Turf Care. Since the issuance of the Sales Officer Appointment Order, the Receiver/Sales Officer understands that the Equipment Leases and all rights of Turf Care thereunder, including the security in favour of Turf Care, have been assigned to Windsor;

b. Rock Garden Development Corporation ("**Rock Garden**") – as noted in the affidavit of Mr. Chetti sworn June 16, 2025 (the "**June 16 Chetti Affidavit**"), Rock Garden, an Ontario privately incorporated company owned by Mr. Chetti, registered a security interest against 785 in April 2025 to secure alleged advances in the aggregate amount of $500,000 to Woodington Management and 785 to fund operating expenses of the Golf Club since 2019. The Receiver/Sales Officer notes that the June 16 Chetti Affidavit and exhibits thereto are the only evidence provided in support of the alleged Rock Garden loans and security. The Receiver/Sales Officer has not been provided with documentary evidence of the alleged advances by Rock Garden as represented in the June 16 Chetti Affidavit that existed at the time of the alleged advances, despite having requested this evidence previously; and

c. Eisen – in respect of the Eisen GSA.

26. In addition, the Receiver/Sales Officer understands from correspondence with the CRA that Woodington Management has the following outstanding tax balances (as of August 26, 2025):

    a. approximately $1.3 million for unremitted GST/HST, including net tax, interest and penalties as a result of assessments from GST/HST filings up to December 2022 and arbitrary assessments for unfiled periods thereafter; and

    b. approximately $420,000 for unremitted payroll source deductions for taxation years 2020 to 2024. For year 2025, the Receiver/Sales Officer is aware of an additional $185,000 (approximately) in unremitted payroll source deductions for the period of January 1, 2025 to July 30, 2025.

27. As discussed in detail in the Second Report, in carrying out the Monitoring Mandate, the Receiver/Sales Officer identified significant tax filing deficiencies. More specifically:

    a. Woodington Management has not filed GST/HST since December 31, 2022;

    b. Woodington Management has only filed one T2 corporate income tax return and it was for the fiscal year-end December 31, 2018. All other T2 corporate tax returns remain outstanding;

    c. 785 has not filed any GST/HST returns, corporate tax returns or payroll remittances since the entity was incorporated in 2023; and

    d. Woodington Estates has not filed has only filed one T2 corporate income tax return and it was for the fiscal year-end December 31, 2018. All other T2 corporate tax returns remain outstanding. It is also understood that Woodington Estates is not compliant with GST/HST filings, the specifics of which are awaiting confirmation from CRA.

28. In addition to the foregoing, the books and records of Woodington Management/785 indicate unsecured obligations of approximately $600,000 as at November 28, 2025 owing primarily to trade suppliers.

## V. THE SALE PROCESS

29. The Sale Process and the results thereof are described in detail in the Second Report and the Supplementary Second Report and are not repeated in this Third Report in order to avoid unnecessary duplication. The Receiver and Sales Officer respectfully rely on those reports for a comprehensive description of the steps undertaken in connection with the marketing of the Woodington Estates Assets and the Business Assets, the conduct of the Sale Process, and the basis upon which the Transaction was entered into. The Receiver/Sales Officer further notes that, pursuant to the Distribution and Ancillary Order and as more particularized in both the February 10 Endorsement and February 23 Endorsement, the Trial Court approved the conduct, actions and

activities of the Receiver/Sales Officer in connection with all of its activities prior to and from the Appointment Date up to and including the date of the Supplementary Second Report.

## VI. THE APPEAL

30. On January 26, 2026, the Receiver/Sales Officer served its motion (the "**Sale Approval and Ancillary Relief Motion**") seeking, among other things, the AVO and the Distribution and Ancillary Order.

31. The Sale Approval and Ancillary Relief Motion was opposed by each of 785 and John Chetti ("**John**").

32. As noted above, the Trial Court granted the AVO and the Distribution and Ancillary Order, as particularized in the February 10 Endorsement and the February 23 Endorsement, respectively. The Receiver/Sales Officer notes that the AVO initially granted included a paragraph providing for provisional execution. However, in His Honour's February 23 Endorsement, Justice Black deleted that provision.

33. On February 20, 2026, 785 and John (collectively, the "**Appellants**") served a Notice of Appeal of the AVO (the "**Appeal**"). Copies of the Appellants' Notice of Appeal is attached hereto as **Appendix "M"**.

34. The Appeal seeks that the AVO be set aside and that, in its place, an order be granted:

    a. establishing a revised sale process with a new sales officer; or

    b. in the alternative, appointing a new Sales Officer to solicit fresh bids from the eight parties who submitted offers in the Sale Process and evaluate the bids in coordination with AGI in its capacity as Receiver of Woodington Estates.

35. In addition to the Appeal, on February 25, 2026, the Appellants served a Notice of Motion in the Ontario Divisional Court (the "**Divisional Court Motion**") seeking, *inter alia*:

    a. an order confirming that leave to appeal the AVO is not required;

    b. in the alternative, an order granting leave to appeal the AVO and staying the AVO pending disposition of the appeal; and

    c. costs of the Divisional Court Motion.

36. As noted therein, the Divisional Court Motion was made out of an abundance of caution to preserve the Appellants' appeal rights in light of arguments raised regarding the requirement to seek leave to appeal.

37. A copy of the Divisional Court Motion is attached hereto as **Appendix "N"**.

## VII. ONGOING EFFORTS TO COMPLETE THE TRANSACTION

38. In light of the fast-approaching 2026 golf season and the seasonal nature of the Golf Club's operations, both prior to and following the granting of the AVO, the Receiver/Sales Officer has been actively engaged with the Purchaser, with the involvement/cooperation of Mrs. Chetti (and certain WMI employees) to facilitate an orderly transition of the business and closing of the Transaction. The key activities have included advancing customary closing preparations, coordinating final diligence, addressing operational continuity matters, and planning for the transition of employees, vendor relationships, bookings, and other ongoing operations, all with a view to preserving enterprise value and minimizing disruption at the commencement of the season.

39. Pursuant to the APS, the outside date for closing of the Transaction is March 13, 2026 (the "**Outside Date**"). The Purchaser is not bound by the transaction if it does not close by the Outside Date. That date reflects the operational realities of the business and the limited runway available before the start of peak seasonal activity. There is accordingly significant urgency to complete the Transaction as soon as practicable to allow the Purchaser to finalize critical pre-season preparations and assume control in an orderly manner. Any material delay beyond the outside date risks impairing operational readiness and undermining the stability and value of the Transaction. The Purchaser is a third party arms-length purchaser.

**Risks Associated with Proposed Appeal Proceeding**

40. The Receiver/Sales Officer believes that any delay in closing the Transaction will cause prejudice to Eisen, Goldy and other stakeholders for the following reasons:

    a. Risk of Purchaser renegotiation or withdrawal – the timely closing of the Transaction increases the likelihood that the Purchaser will be ready to operate in time for the commencement of the 2026 golf season. This is critical to preserving value of the Purchased Assets. Failure to close in a timely manner could result in a material reduction in value and may result in the Purchaser seeking to renegotiate material terms of the Transaction or electing not to proceed;

    b. Erosion of creditor recoveries – significant interest continues to accrue on the Eisen indebtedness to the tune of approximately $150,000 per month, and professional costs continue to be incurred in the receivership proceedings and in connection with the Monitoring Mandate. In consideration of the foregoing, delaying the closing of the Transaction will erode recoveries;

    c. Seasonal operational disruption – delay in closing will impair the ability to complete pre-season preparations (including staffing, procurement, course readiness, among others), negatively impacting 2026 revenues and enterprise value;

d. The prospect of another sale process – the Sale Process was negotiated among the Receiver and Sales Officer, the Debtors (including 785), Eisen and Goldy, and the Sales Officer Appointment Order (including approval of the Sale Process) was granted on consent of those parties. In the Receiver's and Sales Officer's view, the Woodington Estates Assets and Business Assets were adequately and properly exposed to the market pursuant to a fair, transparent and Court-approved process. The Sale Process was not rushed; rather, it involved extensive discussions and engagement among the Receiver and Sales Officer, the Broker, interested parties and key stakeholders, and reflects a deliberate and thorough effort to test the market and maximize value. The results of that process were subsequently approved by the Trial Court. The Receiver/Sales Officer believes that undertaking a further sale process would involve additional cost, delay and market risk, with no reasonable prospect of achieving a superior outcome;

e. Operational and asset preservation risk – continued uncertainty increases the risk of operational instability and unauthorized interference, which could result in value erosion or dissipation of assets pending closing. Such conduct risks undermining pricing integrity, impairing projected revenues, creating confusion among members and staff, and materially diminishing the value of the business pending completion of the Transaction; and

f. Prolonged enforcement and outstanding secured indebtedness – enforcement proceedings in respect of the Woodington Estate Assets have been ongoing for a significant period of time, with Goldy having commenced enforcement efforts initially in August 2023 and again in December 2023, and Eisen commencing the receivership proceedings in or about August 2024. Certain secured obligations have therefore remained outstanding for a considerable duration, and closing of the Transaction represents a necessary and appropriate step toward realizing on the assets and facilitating repayment to creditors.

## VIII. RECOMMENDATION AND CONCLUSION

41. Based on all of the foregoing, the Receiver/Sales Officer respectfully recommends that this Honourable Court make an order, *inter alia*, granting the relief set out in paragraph 11(c) of this Third Report.

All of which is respectfully submitted this 4th day of March 2026.

**ALBERT GELMAN INC.,**
**solely in its capacity as**
**Receiver of Woodington Estates Inc. and**
**Sales Officer of Woodington Management Inc. and 1000736785 Ontario Limited**
**and not its personal or any other capacity**

# APPENDIX “N”

## Adam Zeldin

**From:** Adam Zeldin
**Sent:** April 24, 2025 4:37 PM
**To:** 'Joe Chetti'
**Cc:** Steve Graff (sgraff@airdberlis.com); Samantha Hans; David T. Ullmann; Bryan Gelman; Anisha Samat
**Subject:** Receivership of Woodington Estates Inc. - Followup Information Request

Hi Joe,

As a followup to our previous emails of on February 4, 2025, February 10, 2025 and March 4, 2025, we write to advise that we still have not received a response to the following information requests:

1. Copies of any historical financial statements, internal or external, in respect of the Company (note: we reached out to the accounting firm (RSP LLP) of your former accountant, David Fine. The representative that we spoke with advised that RSP LLP does not have Woodington Estates Inc. financials or other records in their system);
2. Copies of any environmental reports in respect of the golf course lands (including, but not limited to, environmental site assessment reports, geotechnical reports and/or soil studies);
3. Copies of supporting documents (including purchase orders, invoices, cancelled cheques, and other documents as may be requested) evidencing the use of funds invested by 1000736785 Ontario Limited ("785") in the golf course lands in connection with the $4.0 million funding commitment provided under the lease dated December 15, 2023 between the Company and 785;
4. A copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any golf club assets;
5. An update on the status of the proposed Plazacorp or any other proposed refinancing, including copies of any letter of intent, term sheet or other document (including correspondence) supporting same, if not already provided; and
6. Any updates on the status of the Torca transaction.

In addition to the above, you may recall that we discussed that the Receiver intends to arrange for an appraisal of the golf course lands and golf club. In that regard, the appraiser has advised that it would be helpful to obtain historical financial and other information concerning the golf club. As we do not currently have access to this information, you agreed to arrange for us to attend at the golf club to review historical financial and other information regarding WMI, however, that meeting was cancelled and despite several followups, never rescheduled. As such, we reiterate our previous request that you kindly provide the following:

1. Copy of the site plan;
2. List of all major buildings;
3. Construction date of each major building;
4. Gross building area of each major building;
5. Building inspection reports, if any;
6. Licensed seating capacity for each food/beverage-related outlet;
7. Copies of the balance sheets for WMI and 785, as applicable, for the fiscal years ended 2021, 2022, 2023 and 2024;
8. List of all major equipment – separated as to leased and owned;
9. Copy of all operating lease agreements with arms length parties (equipment and other);
10. Summary of capital expenditures made since January 1, 2021 and existing capital expenditure schedule;
11. Number of parking spaces;

12. Number of golf rounds played (guest green fee, tournament, member rounds, and complimentary) for the previous years (2021-2024);
13. Breakdown of non-golfing events and number of participants (weddings, prom, etc) for the previous 4 years (2021-2024) and 2025 bookings; and
14. Copies of the P&Ls for each of WMI and 785, as applicable, for the fiscal years ended 2021, 2022, 2023 and 2024, as well as the subledger details for the following accounts:
    a. Revenue
        i. Pro-shop operations;
        ii. Administration operations;
        iii. Food and beverage operations; and
        iv. Any other revenue accounts;
    a. Expenses
        i. COGS
            1. Pro-shop operations;
            2. Food and beverage operations; and
            3. Any other COGS accounts;
        ii. Expenditures
            1. Pro-shop operations;
            2. Administration operations;
            3. Food and beverage operations;
            4. Amortization; and
            5. Any other expenditure accounts.

The continuous delays in providing the Receiver with the requested information concerning the golf course lands, the golf club and the historical relationship among the affiliated entities, is impacting our ability to carry out our Court-ordered mandate. We ask that you send the above information/documents at your earliest convenience and in any event, **no later than 5:00 p.m. on April 30, 2025**. We also ask that you send each item as is available – there is no need to wait to compile the entire list before sending. If you continue to ignore the Receiver's request for the above information, we intend to bring this matter to the Court's attention.

Thanks, and please let us know if you have any questions.

**Adam Zeldin**, *CPA, CA, CIRP, LIT*
*Managing Director (Ontario)*

ALBERT GELMAN
SOLVING INSOLVENCY

Albert Gelman Inc. | T: 416.504.1650 ext. 129 | E: azeldin@albertgelman.com | A: 250 Ferrand Dr., Suite 403, Toronto, ON, M3C 3G8 www.albertgelman.com

## Adam Zeldin

**From:** Adam Zeldin
**Sent:** March 4, 2025 3:01 PM
**To:** 'Joe Chetti'
**Cc:** Samantha Hans; Steve Graff (sgraff@airdberlis.com); Bryan Gelman; David T. Ullmann; Ariyana Botejue
**Subject:** RE: The Receivership of Woodington Estates Inc. - Information Request

Hi Joe,

We still have not received a response to substantially all of the items requested in the email below, which was sent a month ago. Please provide the requested documents before EOD Friday (March 7, 2025).

We also ask that you provide an update on the following:

1. The status of the Plazacorp refinancing; and
2. The status of the Torca transaction. When we met with you in December, you advised that the transaction would not be extended beyond the then contemplated outside date of February 26, 2025. Did the transaction close and are you in possession of the proceeds?

Thanks,
Adam

---

**From:** Adam Zeldin
**Sent:** February 10, 2025 9:26 AM
**To:** 'Joe Chetti' <joechetti@icloud.com>
**Cc:** Samantha Hans <shans@airdberlis.com>; Steve Graff (sgraff@airdberlis.com) <sgraff@airdberlis.com>; Bryan Gelman <bgelman@albertgelman.com>; David T. Ullmann <DUllmann@blaney.com>; Ariyana Botejue <ABotejue@blaney.com>
**Subject:** RE: The Receivership of Woodington Estates Inc. - Information Request

Hi Joe,

We did not receive a response to our previous email or any of the information requested. Some of this information I would expect to be readily available. The delay is impacting the receiver's ability to carry out its Court-ordered mandate.

Please provide the requested information as soon as possible. As noted below, there is no need to send all documents at once.

Thanks,
Adam

---

**From:** Adam Zeldin
**Sent:** February 4, 2025 9:36 AM
**To:** 'Joe Chetti' <joechetti@icloud.com>
**Cc:** Samantha Hans <shans@airdberlis.com>; Steve Graff (sgraff@airdberlis.com) <sgraff@airdberlis.com>; Bryan

Gelman <bgelman@albertgelman.com>; David T. Ullmann <DUllmann@blaney.com>; Ariyana Botejue <ABotejue@blaney.com>
**Subject:** The Receivership of Woodington Estates Inc. - Information Request

Hi Joe,

We write in our capacity as Court-appointed receiver of Woodington Estates Inc. (the "Company"). Please see below for a list of information that remains outstanding, and in respect of which we have made multiple requests:

1. Copies of any historical financial statements, internal or external, in respect of the Company (note: we reached out to the accounting firm (RSP LLP) of your former accountant, David Fine. The representative that we spoke with advised that RSP LLP does not have Woodington Estates Inc. financials or other records in their system);
2. Copies of any environmental reports in respect of the golf course lands (including, but not limited to, environmental site assessment reports, geotechnical reports and/or soil studies);
3. A copy of any agreement between Woodington Management Inc. ("WMI") and the Company setting out the arrangement for the use/lease/occupation etc. of the golf course lands;
4. Copies of supporting documents (including purchase orders, invoices, cancelled cheques, and other documents as may be requested) evidencing the use of funds invested by 1000736785 Ontario Limited ("785") in the golf course lands in connection with the $4.0 million funding commitment provided under the lease dated December 15, 2023 between the Company and 785;
5. A copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any golf club assets;
6. An update on the status of the proposed Plazacorp refinancing, including copies of any letter of intent, term sheet or other document (including correspondence) supporting same;
7. We understand from the insurance broker, Frank Patafio, that you made the outstanding payment to the insurer and the policy cancellation was rescinded. We have requested evidence from Frank confirming the foregoing, but have not received a response. Please send us this information/documentation; and
8. Any updates on the status of the Torca transaction.

In addition to the above, you may recall that we discussed that the Receiver intends to arrange for an appraisal. In that regard, the appraiser has advised that it would be helpful to obtain historical financial and other information concerning the golf club. As we do not currently have access to this information, we kindly ask that you provide the following:

1. Copy of the site plan;
2. List of all major buildings;
3. Construction date of each major building;
4. Gross building area of each major building;
5. Building inspection reports, if any;
6. Licensed seating capacity for each food/beverage-related outlet;
7. Copies of the balance sheets for WMI and 785, as applicable, for the fiscal years ended 2021, 2022, 2023 and 2024;
8. List of all major equipment – separated as to leased and owned;
9. Copy of all operating lease agreements with arms length parties (equipment and other);
10. Summary of capital expenditures made since January 1, 2021 and existing capital expenditure schedule;
11. Number of parking spaces;
12. Number of golf rounds played (guest green fee, tournament, member rounds, and complimentary) for the previous years (2021-2024);
13. Breakdown of non-golfing events and number of participants (weddings, prom, etc) for the previous 4 years (2021-2024) and 2025 bookings; and

14. Copies of the P&Ls for each of WMI and 785, as applicable, for the fiscal years ended 2021, 2022, 2023 and 2024, as well as the subledger details for the following accounts:
    a. Revenue
        i. Pro-shop operations;
        ii. Administration operations;
        iii. Food and beverage operations; and
        iv. Any other revenue accounts;
    a. Expenses
        i. COGS
            1. Pro-shop operations;
            2. Food and beverage operations; and
            3. Any other COGS accounts;
        ii. Expenditures
            1. Pro-shop operations;
            2. Administration operations;
            3. Food and beverage operations;
            4. Amortization; and
            5. Any other expenditure accounts.

We ask that you send the above information/documents at your earliest convenience and in any event, **no later than 5:00 p.m. on February 7, 2025**. We also ask that you send each item as is available – there is no need to wait to compile the entire list before sending.

Thanks, and please let us know if you have any questions.

Adam

**Adam Zeldin**, *CPA, CA, CIRP, LIT*
*Managing Director (Ontario)*

ALBERT GELMAN
SOLVING INSOLVENCY

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# APPENDIX “O”

Court of Appeal File No.

Court File No. CV-24-00725570-00CL

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

and

WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OFTHE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

# NOTICE OF APPEAL

THE APPELLANTS, JOHN CHETTI AND 1000736785 ONTARIO LIMITED ("**785**"), APPEAL to the Court of Appeal for Ontario from the Orders of the Honourable Justice Black released February 10, 2026 (the "**Order** "), made at Toronto, Ontario, whereby the learned Motion Judge refused to adjourn the hearing to be held on February 4, 2026 and approved a sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between Albert Gelman Inc. ("**AGI**") in its dual capacity as Receiver and Sales Officer, as vendor (the "**Vendor")** and Purposeful Group Ltd., as assigned to Purposeful Golf WL Ltd., as purchaser (the "**Purchaser"),** dated January 14, 2026, and vesting in the Purchaser all of the Debtors' right, title

and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets")**.

**THE APPELLANT ASKS** that the Order be set aside and that, in its place, an order be granted:

(a) Establishing a revised sales process with a new Sales Officer; or

(b) In the alternative to (a), appointing a new Sales Officer to solicit fresh bids from the eight parties who submitted offers for the Purchased Assets and evaluate the bids in coordination with AGI in its capacity as court-appointed receiver over Woodington Estates Inc. ("WEI"); and

(c) Such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS OF APPEAL are as follows:**

(a) The learned Motion Judge erred in law in relying upon an overturned lower court decision to grant provisional execution of the Order and failing to apply, or consider, the principles laid out by this court in *Peakhill Capital Inc. v. 1000093910 Ontario Inc.*, 2024 ONCA 584;

(b) The learned Motion Judge erred in law by preferring the interests of the secured creditor Goldy Metal Holdings Inc. to the interests of various stakeholders including the Appellants without sufficient reasons;

(c) The learned Motion Judge erred in improperly exercising his discretion to unreasonably expedite hearing of the underlying motion, condensing the entire hearing process to a matter of days at the direction of the Receiver and Sales Officer in the face of warnings made by 785 to the Sales Officer during the 4 months following the delivery of the bids that this outcome was foreseeable and could be avoided for the benefit of all stakeholders;

(d) The learned Motions Judge erred in improperly exercising his discretion to refuse an adjournment request of the rushed and inadequately briefed motion;

(e) The learned Motions Judge made a palpable and overriding error in finding that the "there are some pressing deadlines, including with respect to a potential appeal period, compelling a need for expedition here" . In part the court appears to have made an error of law in determining that there was a 30-day appeal period which threatened the closing of the transaction. In fact the correct appeal period is the usual 10-day appeal period. In addition, the terms of the proposed transaction, and sworn testimony from the purchaser make clear that the closing date in the APS was of no significance and could be moved or delayed. The court had this information but misconstrued it and therefore acted on the basis of urgency which was absent or artificially manufactured by the late service of materials from the court officer;

(f) The learned Motion Judge made a palpable and overriding error by failing to consider, and rejecting, uncontested evidence of the Appellant John Chetti regarding a tainted sale process;

(g) The learned Motion Judge erred by making findings of credibility on key pieces of contested evidence without oral testimony or questioning with respect to crucial statements made or alleged to have been made by the court officer in the sale process which directly impacted the prices offered by bidders in that process;

(h) The learned Motion Judge erred in law by approving a transaction in the face of evidence of a tainted sale process including the existence of superior offers to the selected bid and breaches of confidentiality which reduced the recovery for the creditors of both estates;

(i) The learned Motion Judge erred in law by applying the principles espoused in *Royal Bank v. Soundair Corp* to the approval and sale of a solvent business by a Sales Officer and otherwise in failing to recognize that different legal considerations applied to determining the appropriate outcome of a court supervised sale over a solvent operating business;

(j) The Appellants submit that all of the above errors stem from the overriding error on the part of both AGI and the Learned Motion Judge in failing to recognize the distinct roles held by AGI as Receiver over Woodington Estates Inc., on the one hand, and Sales Officer over the solvent going concern entities Woodington Management Inc. and1000736785 Ontario Limited, on the other. This led to the

improper treatment of all entities by AGI and by the learned Motion Judge as if they were insolvent entities being sold through a receivership, when this was simply not the case.

(k) To the extent the record is available to the Appellants, these errors unfairly and negatively impacted the outcome of the sale process causing a loss of value to the stakeholders of the Appellant 1000736785 Ontario Limited of at least $1.5 million, to the benefit of certain creditors and in disregard of the duties owed by the court officer to 1000736785 Ontario Limited and its stakeholders;

(l) The learned Motion Judge erred in failing to find that the Sales Officer had a duty, which it failed to meet, to consult with 1000736785 Ontario Limited in connection with its determination as to the conduct and outcome of the sale process despite requests from 1000736785 Ontario Limited that it do so.

(m) If required or necessary, a stay of the Order appealed from pending the hearing of this appeal by this Honourable Court;

(n) If required or necessary, leave to Appeal the Order; and

(o) Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:**

(a) The Orders of Justice Black arise from the dual role of AGI as receiver appointed under the *Bankruptcy and Insolvency Act* ("***BIA***"), on the one hand, and sales

officer under the *Courts of Justice Act*, R.S.O. 1990, c.C.43, on the other. The Appellants state that they have an appeal as of right under either statutory authority.

(b) To the extent that the Orders of Justice Black are made pursuant to the *Courts of Justice Act*, this is an appeal from a final order of a judge of the Superior Court of Justice, *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, s. 6(1)(b).

(c) To the extent the Order under appeal is made pursuant to the *Bankruptcy and Insolvency Act* ("***BIA***") the Appellant states that leave is not required for the commencement of this appeal pursuant to ss. 193 (a) – (c) of the *BIA*:

(i) The matters raised in the within appeal involve future rights.

(ii) The decision is likely to affect other cases of a similar nature in the bankruptcy proceedings.

(iii) The loss suffered by the Appellants greatly exceeds ten thousand dollars.

(d) In the alternative, if leave is required under section 193(e) of the *BIA*, the Appellant seeks leave to appeal the Order, and asks that the leave application be heard at the same time as the appeal.

(e) It is appropriate that leave be granted because the appeal:

(i) Is of general importance to the practice of bankruptcy/insolvency matters and/or to the administration of justice as a whole;

(ii) Is *prima facie* meritorious; and,

(iii) Would not unduly hinder the progress of the herein proceedings.

(f) Rule 61.04 of the Rules of Civil Procedure;

(g) Section 6(1)(b) of the *Courts of Justice Act*, R.S.O., c. C.43

(h) Sections 193(a), 193(b), 193(c), 193(e) and 195 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

(i) Rule 31 of the Bankruptcy and Insolvency General Rules (C.R.C., c. 368); and

(j) Such further and other statutes/rules as counsel may advise and this Honourable Court may permit.

Dated this February 20, 2026.

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Receiver

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Joseph Chetti
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AND TO: **1000736785 ONTARIO LIMITED**
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Frances Chetti

AND TO: **GOODMANS LLP**
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Lawyers for the Town of New Tecumseth

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Secured Creditor

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AND TO: **DEPARTMENT OF JUSTICE**
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Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

Lawyers for Canada Revenue Agency

AND TO: **HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE**
Insolvency Unit
33 King Street West, 6th Floor
Oshawa, ON L1H 8H5

Email: insolvency.unit@ontario.ca

RCP-E 61A.2 (September 1, 2025)

MELVYN EISEN, TRUSTEE
Applicant

-and-

WOODINGTON ESTATES INC. et al.
Respondents

Court File No. CV-24-00725570-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**NOTICE OF APPEAL**

**RICKETTS HARRIS LLP**
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Lawyers for John Chetti and 1000736785 Ontario Limited

Email for parties served:
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# APPENDIX “P”

Court of Appeal File No. [to be assigned]
Court File No. CV-24-00725570-00CL

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

and

WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OFTHE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

# NOTICE OF MOTION OF THE MOVING PARTIES

# (MOTION TO DIVISIONAL COURT)

The Moving Parties, John Chetti and 1000736785 Ontario Limited ("**785**"), will make a motion in writing to the Divisional Court in writing at 330 University Avenue, Toronto ON M5G 1R7, on a date to be fixed by the Registrar in connection with their appeal from the Order of the Honourable Justice Black released February 10, 2026.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard in writing pursuant to subrule 62.02(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

**THE MOTION IS FOR:**

(a) An Order confirming that leave to appeal the Order of Justice Black released February 10, 2026, is not required;

(b) In the alternative to (a), an Order granting leave to appeal the Order of Justice Black released February 10, 2026 and staying the Order pending disposition of the appeal;

(c) The costs of this motion; and

(d) Such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

(a) By Order released February 10, 2026 (the "**Order**"), the Honourable Justice Black refused to adjourn the hearing to be held on February 4, 2026 and approved a sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between Albert Gelman Inc. ("**AGI**") in its dual capacity as Receiver and Sales Officer, as vendor (the "**Vendor**") and Purposeful Group Ltd., as assigned to Purposeful Golf WL Ltd., as purchaser (the "**Purchaser**"), dated January 14, 2026, and vesting in the Purchaser all of the Debtors' rights, title and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets**");

(b) The Order arises from the dual role of AGI as receiver appointed under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("***BIA***"), on the one hand, and sales officer under the *Courts of Justice Act*, R.S.O. 1990, c.C.43, on the other. The Moving Parties state that they have an appeal as of right under either statutory authority;

(c) On February 20, 2026, the Moving Parties served and filed a Notice of Appeal with the Ontario Superior Court of Justice Commercial List (Toronto), seeking to appeal the Order to the Ontario Court of Appeal, in accordance with Rule 31 of the Bankruptcy and Insolvency General Rules (C.R.C., c. 368);

(d) The Notice of Appeal asserts an appeal as of right pursuant to section 193 of the *BIA*, or, in the alternative, seeks that leave be granted and the question of leave be heard with the merits of the appeal;

(e) While the Order under appeal initially contained a paragraph providing for provisional execution, Justice Black released a decision on February 23, 2026, deleting that provision as an error; accordingly, the Order is stayed pursuant to section 195 of the *BIA*.

(f) During argument before Justice Black on February 19, 2026, counsel for the senior secured creditor asserted the position that leave to appeal to the Divisional Court is required given the dual roles as Receiver and Sales Officer;

(g) The Moving Parties disagree and submit that *Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508 is dispositive of the correct appeal route being directly to the Court of Appeal pursuant to the provisions of the *BIA*;

(h) The Moving Parties further submit that the determination of whether leave is required is appropriately made by the Court of Appeal applying the *BIA*;

(i) The within motion is made out of an abundance of caution to preserve the Moving Parties' appeal rights;

(j) To the extent this Honourable Court determines that leave to appeal is required, the Moving Parties submit it is appropriate that leave be granted pursuant to the test under Rule 62.02(4) of the *Rules of Civil Procedure* because there is good reason to doubt the correctness of the Order and the proposed appeal involves matters of such importance that leave should be granted;

(k) The appeal is of general importance to the practice of bankruptcy/insolvency matters and/or to the administration of justice as a whole.

(l) The appeal concerns multiple errors of law made by the Learned Motion Judge resulting from a failure to recognize the distinct roles held by AGI as Receiver over Woodington Estates Inc., on the one hand, and Sales Officer over the solvent going concern entities Woodington Management Inc. and1000736785 Ontario Limited, on the other. This led to the improper treatment of all entities by AGI and by the Learned Motion Judge as if they were insolvent entities being sold through a receivership, when this was simply not the case, resulting in a tainted sales process that improperly preferred the rights over some stakeholders over those of the Moving Parties. The errors are enumerated in the Notice of Appeal appended as Schedule "A" hereto;

(m) The Moving Parties submit that, to the extent this Honourable Court determines that leave is required, a stay of proceedings is appropriate, pending the disposition

and hearing of the within motion, pursuant to section 106 of the *Courts of Justice Act* because:

(i) There is a stay mandated by Section 195 of the *BIA* pending resolution of the appeal by the Court of Appeal and to the extent this Court has jurisdiction over any part of the Order there should be a matching stay granted by this Honourable Court;

(ii) There is a serious issue to be decided;

(iii) To proceed would result in irreparable harm as the assets that form the subject of the vesting order will be gone without a stay; and

(iv) The balance of convenience favours a stay.

(n) Sections 183, 193 and 195 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

(o) Rules 57, 61.03, and 62.02 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

(p) Sections 19(1) and 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

(q) Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

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

(a) Notice of Appeal dated February 20, 2026;

(b) Affidavit of Kim Chu, to be sworn;

(c) The Order of Justice Black released February 10, 2026;

(d) The Endorsement of Justice Black released February 10, 2026;

(e) The Endorsement of Justice Black released February 19, 2026;

(f) Any further Order that may be issued by Justice Black varying his Order of February 10, 2026, based on His Honour's decision rendered February 19, 2026;

(g) Materials before Justice Black:

(i) Aide Memoire of Melvyn Eisen, Trustee dated February 18, 2026

(ii) Affidavit of Frances Chetti sworn February 2, 2026

(iii) Affidavit of Service dated February 3, 2026

(iv) Responding and Reply Motion Record of 785 dated February 3, 2026

(v) Lawyer's Certificate of Service dated January 19, 2026

(vi) Aide Memoire of 785 dated February 18, 2026

(vii) Responding Motion Record of John Chetti dated January 28, 2026

(viii) Factum of John Chetti dated February 4, 2026

(ix) Book of Authorities of John Chetti dated February 4, 2026

(x) Transcript of Kenneth Gold dated February 3, 2026

(xi) Transcript of Ryan Dewey dated February 3, 2026

(xii) Responding and Reply Motion Record of 785 dated February 3, 2026

(xiii) Motion Record of Receiver and Sales Officer, Albert Gelman Inc. dated January 26, 2026

(xiv) Supplemental Motion Record of Receiver and Sales Officer, Albert Gelman Inc. dated January 28, 2026

(xv) Factum of Receiver and Sales Officer, Albert Gelman Inc. dated February 3, 2026

(xvi) Draft Approval and Vesting Order - Receiver and Sales Officer, Albert Gelman Inc. dated February 3, 2026

(xvii) Blackline Order to Version in Motion Record - Receiver and Sales Officer, Albert Gelman Inc. dated February 3, 2026

(xviii) (Revised) Draft Approval and Vesting Order – Receiver and Sales Officer, Albert Gelman Inc. dated February 4, 2026

(xix) (Revised) Blackline Order to Version in Motion Record – Receiver and Sales Officer – Albert Gelman Inc. dated February 4, 2026

(xx) Peakhill Capital Inc. v. 1000093910 Ontario Inc., 2024 ONSC 3887

(xxi) Aide Memoire of Receiver and Sales Officer, Albert Gelman Inc. dated February 17, 2026

(xxii) Reply Aide Memoire of the Receiver and Sales Officer dated February 18, 2026

(xxiii) Motion Record of John Chetti dated February 2, 2026

(h) Prior Orders and Endorsements in the Proceedings

(i) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

Dated this February 25, 2026.

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RCP-E 61A (September 1, 2025)

# Schedule “A”

Court of Appeal File No.

Court File No. CV-24-00725570-00CL

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

and

WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OFTHE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

# NOTICE OF APPEAL

THE APPELLANTS, JOHN CHETTI AND 1000736785 ONTARIO LIMITED ("**785**"), APPEAL to the Court of Appeal for Ontario from the Orders of the Honourable Justice Black released February 10, 2026 (the "**Order** "), made at Toronto, Ontario, whereby the learned Motion Judge refused to adjourn the hearing to be held on February 4, 2026 and approved a sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between Albert Gelman Inc. ("**AGI**") in its dual capacity as Receiver and Sales Officer, as vendor (the "**Vendor")** and Purposeful Group Ltd., as assigned to Purposeful Golf WL Ltd., as purchaser (the "**Purchaser"),** dated January 14, 2026, and vesting in the Purchaser all of the Debtors' right, title

and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets")**.

**THE APPELLANT ASKS** that the Order be set aside and that, in its place, an order be granted:

(a) Establishing a revised sales process with a new Sales Officer; or

(b) In the alternative to (a), appointing a new Sales Officer to solicit fresh bids from the eight parties who submitted offers for the Purchased Assets and evaluate the bids in coordination with AGI in its capacity as court-appointed receiver over Woodington Estates Inc. ("WEI"); and

(c) Such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS OF APPEAL are as follows:**

(a) The learned Motion Judge erred in law in relying upon an overturned lower court decision to grant provisional execution of the Order and failing to apply, or consider, the principles laid out by this court in *Peakhill Capital Inc. v. 1000093910 Ontario Inc.*, 2024 ONCA 584;

(b) The learned Motion Judge erred in law by preferring the interests of the secured creditor Goldy Metal Holdings Inc. to the interests of various stakeholders including the Appellants without sufficient reasons;

(c) The learned Motion Judge erred in improperly exercising his discretion to unreasonably expedite hearing of the underlying motion, condensing the entire hearing process to a matter of days at the direction of the Receiver and Sales Officer in the face of warnings made by 785 to the Sales Officer during the 4 months following the delivery of the bids that this outcome was foreseeable and could be avoided for the benefit of all stakeholders;

(d) The learned Motions Judge erred in improperly exercising his discretion to refuse an adjournment request of the rushed and inadequately briefed motion;

(e) The learned Motions Judge made a palpable and overriding error in finding that the "there are some pressing deadlines, including with respect to a potential appeal period, compelling a need for expedition here" . In part the court appears to have made an error of law in determining that there was a 30-day appeal period which threatened the closing of the transaction. In fact the correct appeal period is the usual 10-day appeal period. In addition, the terms of the proposed transaction, and sworn testimony from the purchaser make clear that the closing date in the APS was of no significance and could be moved or delayed. The court had this information but misconstrued it and therefore acted on the basis of urgency which was absent or artificially manufactured by the late service of materials from the court officer;

(f) The learned Motion Judge made a palpable and overriding error by failing to consider, and rejecting, uncontested evidence of the Appellant John Chetti regarding a tainted sale process;

(g) The learned Motion Judge erred by making findings of credibility on key pieces of contested evidence without oral testimony or questioning with respect to crucial statements made or alleged to have been made by the court officer in the sale process which directly impacted the prices offered by bidders in that process;

(h) The learned Motion Judge erred in law by approving a transaction in the face of evidence of a tainted sale process including the existence of superior offers to the selected bid and breaches of confidentiality which reduced the recovery for the creditors of both estates;

(i) The learned Motion Judge erred in law by applying the principles espoused in *Royal Bank v. Soundair Corp* to the approval and sale of a solvent business by a Sales Officer and otherwise in failing to recognize that different legal considerations applied to determining the appropriate outcome of a court supervised sale over a solvent operating business;

(j) The Appellants submit that all of the above errors stem from the overriding error on the part of both AGI and the Learned Motion Judge in failing to recognize the distinct roles held by AGI as Receiver over Woodington Estates Inc., on the one hand, and Sales Officer over the solvent going concern entities Woodington Management Inc. and1000736785 Ontario Limited, on the other. This led to the

improper treatment of all entities by AGI and by the learned Motion Judge as if they were insolvent entities being sold through a receivership, when this was simply not the case.

(k) To the extent the record is available to the Appellants, these errors unfairly and negatively impacted the outcome of the sale process causing a loss of value to the stakeholders of the Appellant 1000736785 Ontario Limited of at least $1.5 million, to the benefit of certain creditors and in disregard of the duties owed by the court officer to 1000736785 Ontario Limited and its stakeholders;

(l) The learned Motion Judge erred in failing to find that the Sales Officer had a duty, which it failed to meet, to consult with 1000736785 Ontario Limited in connection with its determination as to the conduct and outcome of the sale process despite requests from 1000736785 Ontario Limited that it do so.

(m) If required or necessary, a stay of the Order appealed from pending the hearing of this appeal by this Honourable Court;

(n) If required or necessary, leave to Appeal the Order; and

(o) Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:**

(a) The Orders of Justice Black arise from the dual role of AGI as receiver appointed under the *Bankruptcy and Insolvency Act* ("***BIA***"), on the one hand, and sales

officer under the *Courts of Justice Act*, R.S.O. 1990, c.C.43, on the other. The Appellants state that they have an appeal as of right under either statutory authority.

(b) To the extent that the Orders of Justice Black are made pursuant to the *Courts of Justice Act*, this is an appeal from a final order of a judge of the Superior Court of Justice, *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, s. 6(1)(b).

(c) To the extent the Order under appeal is made pursuant to the *Bankruptcy and Insolvency Act* ("***BIA***") the Appellant states that leave is not required for the commencement of this appeal pursuant to ss. 193 (a) – (c) of the *BIA*:

(i) The matters raised in the within appeal involve future rights.

(ii) The decision is likely to affect other cases of a similar nature in the bankruptcy proceedings.

(iii) The loss suffered by the Appellants greatly exceeds ten thousand dollars.

(d) In the alternative, if leave is required under section 193(e) of the *BIA*, the Appellant seeks leave to appeal the Order, and asks that the leave application be heard at the same time as the appeal.

(e) It is appropriate that leave be granted because the appeal:

(i) Is of general importance to the practice of bankruptcy/insolvency matters and/or to the administration of justice as a whole;

(ii) Is *prima facie* meritorious; and,

(iii) Would not unduly hinder the progress of the herein proceedings.

(f) Rule 61.04 of the Rules of Civil Procedure;

(g) Section 6(1)(b) of the *Courts of Justice Act*, R.S.O., c. C.43

(h) Sections 193(a), 193(b), 193(c), 193(e) and 195 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

(i) Rule 31 of the Bankruptcy and Insolvency General Rules (C.R.C., c. 368); and

(j) Such further and other statutes/rules as counsel may advise and this Honourable Court may permit.

Dated this February 20, 2026.

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RCP-E 61A.2 (September 1, 2025)

MELVYN EISEN, TRUSTEE
Applicant

-and-

WOODINGTON ESTATES INC. et al.
Respondents

Court File No. CV-24-00725570-00CL

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

PROCEEDING COMMENCED AT
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**NOTICE OF APPEAL**

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Respondents

Court of Appeal No. [to be assigned]
Court File No. CV-24-00725570-00CL

***ONTARIO***
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RCP-E 4C (September 1, 2020)

# APPENDIX “Q”

Court of Appeal File No.
Court File No. CV-24-00725570-00CL

**COURT OF APPEAL FOR ONTARIO**

B E T W E E N:

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Applicant (Respondent)

- and -

**WOODINGTON ESTATES INC., WOODINGTON MANAGEMENT INC. and 1000736785 ONTARIO LIMITED**

Respondents (Appellant)

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF* JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

**NOTICE OF APPEAL OF 1000736785 ONTARIO LIMITED**

**1000736785 ONTARIO LIMITED** (the "**Appellant**" or "**785**") **APPEALS** to the Court of Appeal from the Endorsement of the Honourable Justice Black (the "**Motion Judge**"), dated February 23rd, 2026 (the "**Decision**"), made at Toronto.

**THE APPELLANT ASKS** that the Decision be set aside, and an Order be granted as follows:

1. That the Decision below with respect to the proposed distribution to the Applicant/Respondent on Appeal, Melvyn Eisen, Trustee ("**Eisen**") and any determination with respect to the General Security Agreement allegedly executed by Woodington Management Inc. ("**WMI**") and its priority to other creditors of 785 or the amounts owing

to those other creditors (including Rock Garden Development Corporation ("**Rock Garden**")), be set aside pending a further proper hearing. The balance of the Decision in respect of other matters addressed in the Decision are not being appealed; and

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

**THE GROUNDS OF APPEAL** are as follows:

**Overview**

3. On February 19, 2026, the Motion Judge elected to hear limited argument and then rendered the Decision on a crucial point in dispute in the proceedings below, which was not properly briefed, noticed or evidenced. In so doing, the Motion Judge made an ad hoc ruling, which materially impacted the rights of the parties and should be set aside by this Honourable Court.

4. The Motion Judge found that Eisen was entitled to the distribution of sale proceeds from the sale of the assets of 785 as a priority secured creditor of 785.

5. The proceedings below involved a court ordered sale process for the sale of the assets of the three Respondents. Albert Gelman Inc. ("**AGI**"), is the court-appointed receiver (in such capacity, the "**Receiver**") of Woodington Estates Inc. ("**WEI**") under the *Bankruptcy and Insolvency Act*, and the court-appointed sales officer (in such capacity, the "**Sales Officer**") under *Courts of Justice Act* of the other two Respondents, 785 and WMI. WEI owns land. WMI and 785 own and operate a golf course located on those lands. The Respondents have different creditors and stakeholders.

6. On July 15, 2025, the Respondents and Eisen entered into a consent order to appoint AGI to sell the assets of the Respondents in its dual capacities.

7. The Motion Judge ordered on February 10, 2026, that the court approved a sale of the assets of the Respondents to an arms-length party.

8. The main purpose of the motion scheduled for February 19, 2026 was to deal with funds in the amount of $234,000 alleged to have been improperly "scooped" by AGI from 785 and to deal with the approval of the conduct and fees of AGI.

9. On February 23, 2026, the Motion Judge found that a General Security Agreement ("**GSA**") apparently executed by WEI in favour of Eisen in 2019 was valid and enforceable security, properly perfected against 785 and in priority to other interests registered under the *Personal Property Security Act (Ontario)* ("**PPSA**") in priority to it.

10. The validity of the GSA had been contested. Eisen had failed to disclose the existence of the GSA at the appropriate time, and claimed it was discovered on the eve of a hearing to be held in May in these proceedings to appoint a receiver over WMI and 785. The GSA was never registered under the PPSA, Eisen swore affidavits omitting the existence of any such GSA when listing security. The GSA was disputed as unenforceable by the Respondents in affidavit evidence.

11. The Motion Judge ordered, relying on the GSA, that Eisen was entitled to be paid from the assets of 785, WMI and WEI. In making the Decision, none of the relevant evidence was before the Motion Judge, including: (a) the GSA; (b) the sworn evidence in opposition to the GSA; (c) a search under the PPSA; (d) the cross examinations done in

respect of the probity, priority and perfection of the GSA; or (e) the status of the debts owing to other creditors.

12. No motion was before the Motion Judge seeking any declaration with respect to the GSA or its priority.

13. AGI brought a motion, heard on February 19, 2026 to approve the distribution of sale proceeds from the sale of WEI, which was opposed in part by the Respondents. The priority, debt and security of the mortgage security of Eisen in respect of WEI was not contested. The validity and enforceability of the mortgage security held by Eisen with respect to WEI *only* had been opined on by the court officer and found valid.

14. The Receiver expressly stated in its report that the priority of the GSA was under review. No opinion as to its validity or enforceability was provided.

15. The question of whether or not Eisen was a secured creditor of 785 was contested and had been the subject of a fully briefed contested motion brought by Eisen in May 2025. That motion was settled and dismissed by the Motion Judge by way of a consent endorsement dated July 15, 2025 which created the sale process. No new motion in respect of the alleged security or priority of any interest of Eisen to the assets of 785 was ever served.

16. On February 18, 2026 at 6pm, the day before the hearing to take place at 8:30 am on February 19, 2026, Eisen served an Aide Memoire, without any sworn evidence or a motion, seeking ad hoc the relief ultimately granted by the Motion Judge on February 23, 2026. No parties had an opportunity to respond to these materials or to put forward legal

arguments or law in respect of these submissions. It was not addressed in the factum by the Receiver on Receiver's motion. It was not a proper Aide Memoire or motion.

17. The evidence from the July 15th , 2025 hearing was not properly before the Court on February 19, 2026. It was not considered or referred to in submissions or by the Motion Judge.

18. The Motion Judge did not have sufficient, or any, time on February 19, 2026 to hear the issue under appeal. When the validity of the GSA was an issue to be argued on July 15th , 2025 the court had set aside a half day for this issue alone. On February 19, 2026, the majority of the 90 minutes allocated for the hearing was used up on other matters properly briefed and set before the court. The court heard 5 minutes of submissions only on this issue.

19. Counsel for the Respondents acknowledged in its submissions that an issue had been raised with respect to the distribution to Eisen and submitted it should be the subject of a proper motion on another day. It asked that the issue be adjourned to another day.

20. Other than the fact that interest continued to accrue on the Eisen debt (which had been accruing for years due to default) there was no urgency sought or proven with respect to the motion for the distribution of funds to Eisen. There are no funds to distribute as there has been no sale completed and it was agreed and ordered by the Motion judge that the allocation of proceeds between the respondents was to be dealt with in a future motion. Further the Motion Judge was notified that the order to approve the sale granted on February 10, 2026, from which proceeds would presumably eventually flow if closed, was

to be appealed. The notice of appeal in that matter was filed with this court on February 20, 2026. The court below had notice before it rendered its decision that the order approving the sale had in fact been appealed.

***The Court Made Errors of Law, Fact, and Mixed Fact and Law***

21. The Motion Judge erred by making a determination of the validity and enforceability of the GSA security to be enforced by Eisen against WMI and 785 when there was no independent security opinion from the court officer on that security.

22. The Motion Judge erred by making a determination as to the validity or enforceability of the GSA when no copy of the GSA was in evidence before him.

23. The Motion Judge erred by relying on an alleged letter from counsel delivering the GSA to Eisen, when no such letter was before His Honour at the hearing.

24. The Motion Judge made a determination of the priority and perfection of the GSA when no PPSA search was before him.

25. The Motion Judge erred at law in finding that the GSA was binding on the assets of 785, when the GSA was not executed by 785.

26. The Motion Judge erred by acting in the absence of any law or authority or considering any statute by determining the PPSA registration against WMI was properly transferred to 785 and perfected any interest in any of the assets of 785. No law was provided on the question of whether the GSA had attached to or had any priority over the collateral of 785 or the extent of that interest over that collateral, if any.

27. The Motion Judge erred by failing to consider the cross-examination evidence on the probity of the GSA.

28. The Motion Judge erred at law in treating the assets and creditors of the Respondents on a collective basis and therefore acted on the basis of apparent substantive consolidation without considering the law on or hearing submissions in respect of substantive consolidation.

29. The Motion Judge erred by hearing a motion on the basis of a short-served Aide Memoire in the absence of urgency and in the absence of a notice of motion for the relief being sought. There was no notice of motion seeking a declaration of the validity of the GSA, its priority with respect to other creditors, or a distribution of proceeds from 785 or WMI.

30. The Motion Judge erred in making the determination that there were sufficient proceeds from the future sale to repay Eisen when there was no evidence before him on the net amount of the proceeds of sale and the rights of various creditors in priority to any interest to Eisen in respect of any of the Respondents.

31. Rock Garden, who had a prior secured interest in the assets of 785 registered under the PPSA, and other stakeholders of 785, were not served or given notice of any intention to make any findings with respect to the creditors of 785 or WMI or their entitlement to any proceeds payable to those entities. It was an error of law to make an order without notice to these parties.

**THE BASIS OF THE APPELATE COURT'S JURISDICTION IS:**

32. Pursuant to subsection 193 (a) (b) and (c) of the BIA, an appeal lies to the Court of Appeal as a right;

33. In the alternative, to the extent leave is required, the Appellant seeks leave and relies on the above facts set out to assert that leave is required and should be granted;

34. To the extent leave is required, the leave should be heard at the same times at the appeal.

35. Section 6(1)(b) and 6(2) of the *CJA;* and,

36. Such further and other grounds with respect to jurisdiction as counsel may advise and this Court permit.

**Dated:** March 5, 2026

**BLANEY McMURTRY LLP**
Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON, M5C 3G5

**David Ullmann (LSO #423571)**
Tel: (416) 596-4289
Email: dullmann@blaney.com

Lawyers for 1000736785 Ontario Limited

**To:** Service List

Court of Appeal File No.
Court File No. CV-24-00725570-00CL

**MELVYN EISEN, TRUSTEE** and **1000736785 ONTARIO LIMITED**, et al,

Applicant (**Respondent**) Respondents (**Appellant**)

Email addresses of recipients: See Service List

**COURT OF APPEAL**

**NOTICE OF APPEAL OF**
**1000736785 ONTARIO LIMITED**

**BLANEY MCMURTRY LLP**
Lawyers
2 Queen Street East, Suite 1500
Toronto, ON, M5C 3G5

**David T. Ullmann** (LSO #42357I)
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Email: dullmann@blaney.com

Lawyers for 1000736785 Ontario Limited

# APPENDIX “R”

**RE: ANTICIPATED BUDGET FOR OPERATIONS**

Below outlines the proposed anticipated budget for the opening of Woodington Lake Golf Club for the 2026 season.

This proposed budget is intended to ensure the club is fully equipped and operational for a successful 2026 opening season.

Please note: This budget is subject to change based on availability**.** The urgency of this statement is critical: we are already late in preparing for the season, which may open in as little as three weeks. Deposits must be ready immediately, as our supplier terms will be at risk without prompt action. We must secure these products now to ensure the business is prepared and aligned with the timing of the golf season. **Delays could directly jeopardize our ability to open successfully.**

Below is the preliminary breakdown of projected expenditures required to prepare for the upcoming season:

- **$25,000 – TaylorMade (Hard and Soft Goods):** Golf club rental sets, golf balls, and golf apparel
- **$25,000 – Acushnet Canada Inc.:** Hard and soft goods, including Titleist golf balls and other necessary golf accessories for the pro shop
- **$25,000 – Adidas:** Hard goods and primarily soft goods for golf apparel and attire
- **$25,000 – Budget allocated for additional items needed for the pro-shop, driving range, restaurant, banquet facility, clubhouse**
- **$50,000 – Chemicals and course maintenance**
- **$50,000 – Cart rentals to expand and increase our fleet**
- **$25,000 – Beer, wine, liquor, and initial food order for opening**
- **$15,000 – Uniform ordering**

**Total Anticipated Budget: $240,000**

# APPENDIX “S”

**Osler, Hoskin & Harcourt LLP**
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8
416.362.2111 MAIN
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Ottawa
Vancouver
New York

March 9, 2026

Justin Kanji
Direct Dial: 416.862.6642
jkanji@osler.com
Our Matter Number: 1272525

**Sent By E-Mail**

**Blaney McMurtry LLP**
2 Queen St. East, Suite 1500
Toronto, ON M5C 3G5

And To:

**Aird & Berlis LLP**
Brookfield Place
181 Bay St., Suite 1800
Toronto, ON Canada M5J 2T9

**Attention: David Ullmann (dullman@blaney.com) and Steve Graff (sgraff@airdberlis.com)**

David, Steve,

**Re: Melvyn Eisen, Trustee v Woodington Estates Inc., et al (collectively, the "Debtors")**

As you know, on February 10, 2026 the Ontario Superior Court of Justice (Commercial List) issued an Approval and Vesting Order in the above-noted proceedings (the "**AVO**") approving the sale of substantially all the assets of the Debtor to Purposeful. Capitalized terms used but not defined herein have the meanings given to them in the AVO.

Subsequent to the approval of the Transaction, Justice Black released an endorsement on February 19, 2026. This endorsement provides that: "I direct that 785 and AGI, and their respective counsel, compare notes as to 785's proposed operational expenditures to see what can be agreed. It may be helpful on this front for AGI to determine from the Purchaser (Purposeful Golf) what its preferences are in terms of expenditures to ready the Golf Club for use. As 785's counsel pointed out, there is a mechanism in the Sale Agreement for a reconciliation of such costs; in my view it makes sense for the parties to compare notes and to jointly develop, to the extent possible, an agreed plan for necessary expenditures in the near term". We have since been provided a list of the 785's proposed expenditures for the upcoming season totalling $240,000.

On review of the itemized list, Purposeful wishes to advise the Debtors and AGI that it will not assume or be responsible for any expenses incurred without its prior consent. It will also not pay any additional amount (or agree to any price adjustment) for inventory or other

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items acquired without its consent. In Purposeful's view, as an experienced golf course owner and operator, certain proposed expenditures are not necessary at this time and do not align with Purposeful's branding or operational synergies, which are required once the Transaction closes.

Further to 785's request for a meeting on February 23, 2026 and Purposeful's response on February 25, 2026, we remain willing and hopeful to discuss the operational needs for the upcoming season, including the booking of tournaments and appropriate measures to ensure the segregation of funds that are received prior to Closing. To the extent counsel fees are an issue, Purposeful is prepared to have a clients only meeting given the commercial nature of the anticipated discussions. Accordingly, we request that 785 provide its availability as soon as possible so that a meeting can be arranged among the parties. For the time being, we request that details and documentation with respect to any and all inquiries, expressions of interest and proposals from customers with respect to 2026 tournaments that have been received to date or may be received hereafter be provided as soon as practicable and no later than the meeting noted above.

Yours very truly,

Justin Kanji

Enclosure

c. *Dave Rosenblat, Osler, Hoskin & Harcourt LLP*
*Bryan Gelman, Albert Gelman Inc.*

# APPENDIX “T”

**FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT** (the "**Agreement**") made as of the 13th day of March, 2026

**BETWEEN:**

**ALBERT GELMAN INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF WOODINGTON ESTATES INC. AND AS THE SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND 1000736785 ONTARIO LIMITED, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

(the "**Vendor**")

- and -

**PURPOSEFUL GOLF WL LTD.**

(the "**Purchaser**")

**RECITALS:**

A. The Vendor and the Purchaser are parties to that certain Asset Purchase Agreement dated as of January 14, 2026 (the "**APA**") relating to the sale by the Vendor and purchase by the Purchaser of the Purchased Assets (as defined in the APA).

B. On February 10, 2026, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an Approval and Vesting Order (the "**AVO**") approving, among other things, the transaction contemplated by the APA.

C. On February 20, 2026, counsel to John Chetti and 1000736785 Ontario Limited served a Notice of Appeal in respect of the AVO (the "**Appeal**"), which Appeal remains pending before the Ontario Court of Appeal and the Divisional Court.

D. The APA contemplates that Closing (as defined in the APA) shall occur no later than March 13, 2026 and the parties anticipate that an extension of the Outside Date may be required as a result of the Appeal and the Purchaser is willing to grant such extension subject to the Conditions (as defined herein).

E. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the APA.

**NOW THEREFORE** in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration and the completion of the transaction provided for in the APA, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

**1. Amendments to Purchase Agreement**

The definition of "Outside Date" as set forth in Section 1.1 of the APA is hereby deleted in its entirety and replaced with the following:

"**Outside Date**" means March 27, 2026, or such other date as the parties may agree unless the Conditions (as defined below) are satisfied on or before such date in which case it shall be May 1, 2026;

**2. Conditions to the Amendment**

The extension of the Outside Date to May 1, 2026, as set out in Section 1 herein, is subject to the following conditions (collectively, the "**Conditions**"):

(a) as of March 27, 2026, neither the Ontario Court of Appeal nor the Divisional Court (as applicable) shall have rendered a decision in respect of the Appeal;

(b) prior to March 27, 2026, the Court shall have made an Order amending the Order dated July 15, 2025, among other things, appointing AGI as Sales Officer of 1000736785 Ontario Limited ("**785**") and Woodington Management Inc. (the "**Sales Officer**") to accommodate the entering into of this Agreement and the corresponding appointment of the Purchaser as manager of Woodington Lake Golf Club pursuant to an agreement granting the Purchaser operational management control of Woodington Lake Golf Club (the "**Management Agreement**"), which order shall be in a form and substance reasonably satisfactory to the Purchaser and Vendor and provide, among other things, an order for provisional execution of the Management Agreement;

(c) prior to March 27, 2026, the Sales Officer shall have executed the Management Agreement; and

(d) the Management Agreement shall be in a form satisfactory to the Purchaser and Vendor and shall include, among other things, the management terms set out in Schedule "A" hereto.

**3. Affirmation**

Each of the parties hereto hereby affirms the provisions in the APA (as amended herein) applicable to it and confirms that it continues to be bound by same.

**4. Time of the Essence**

Time shall remain of the essence.

**5. Successors and Assigns**

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

**6. Governing Law**

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**7. Execution by Counterparts**

This Agreement may be executed in counterparts and delivered by facsimile or other electronic transmission and the counterparts delivered by facsimile or other electronic transmission together shall constitute one and the same instrument.

**8. Further Assurances**

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first mentioned.

**ALBERT GELMAN INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF WOODINGTON ESTATES INC. AND SALES OFFICER OF WOODINGTON MANAGEMENT INC. AND 1000736785 ONTARIO LIMITED, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

Per: _____

Name: Adam Zeldin
Title: Managing Director

**PURPOSEFUL GOLF WL LTD.**

Per: _____

Name: Ryan Dewey
Title: Managing Director

**SCHEDULE "A"**

**KEY TERMS OF THE MANAGEMENT AGREEMENT**

| Key Term | Description |
|---|---|
| **Court Approval** | The Management Agreement shall be subject to approval by the Ontario Superior Court of Justice (Commercial List). |
| **General Manager** | An individual appointed by the Purchaser in its sole discretion (the "**Purchaser Appointee**") will assume the role of General Manager of Woodington Lake Golf Club and will be responsible for the overall day-to-day management and operational oversight. The Purchaser Appointee will coordinate operational execution across all departments and serve as the primary operational liaison with the Vendor. |
| **Management Services** | The Purchaser will provide senior management services to the club through its senior management team, providing functional leadership and oversight across all departments including agronomy, golf operations, food & beverage, culinary, human resources, marketing, and administration. |
| **Functional Leadership** | The Vendor shall use its reasonable best efforts to ensure the existing Woodington Lake Golf Club management team provides applicable operational guidance and implementation advice as requested by the Purchaser. |
| **Reporting Structure** | The existing Woodington Lake Golf Club management team will report directly to the Purchaser's senior management team who will in turn report directly to the Purchaser Appointee in his capacity as General Manager. The Purchaser Appointee will conversely communicate with the Vendor regarding overall operations, performance, and implementation of strategic initiatives at Woodington Lake Golf Club. |
| **Strategy & Budget** | The Purchaser Appointee and the Vendor will jointly review the operating budget, business plan, and overall strategic direction for the Woodington Lake Golf Club during the term of the Management Agreement. |
| **Contract/Fee Approval** | All receipts and disbursements in excess of $500.00 will be approved by the Vendor. All contracts will require the review and approval by the Vendor prior to execution following receipt of the Purchaser Appointee's recommendations. |
| **Financial Reporting** | The Purchaser Appointee will present monthly financial statements and operational performance updates to the Vendor, including revenue performance, operating expenses, any material |

| | |
|---|---|
| | operational issues, and other materials/documents/information as may be reasonably requested by the Vendor from time to time. |
| **Operating Costs** | All ordinary course operating costs of the Woodington Lake Golf Club, including payroll, vendor payments, maintenance, and other operational expenditures, will be paid by the Vendor or the Debtors as would be the case in the normal course of operations. |
| **Management Personnel Costs** | The Purchaser will be responsible for the compensation and costs associated with its own management personnel providing services to Woodington Lake Golf Club during the term of the Management Agreement. |
| **No Management Services Fee** | The Purchaser will provide the above management services to the Woodington Lake Golf Club business at no management fee or cost to the Debtors or the Vendor through to the Termination Date. |
| **Post March 13, 2026 Revenue** | Effective March 13, 2026, all revenue generated from the operations of Woodington Lake Golf Club, net of ordinary course operating expenses, shall be held in escrow for the benefit of the Purchaser without any adjustment to the Purchase Price, subject to the occurrence of Closing and the dismissal of the Appeal. |
| **Risk** | The Purchaser shall receive the standard benefits and protections customary to that of an agent of a Receiver in receivership proceedings. |
| **Effective Date** | The Management Agreement shall commence immediately upon Court approval. |
| **Termination Date** | The Vendor and the Purchaser will mutually agree to termination provisions, which shall include (i) the success of the Appeal and (ii) the occurrence of Closing. |