

**SUPPLEMENTARY FIRST REPORT OF  
ALBERT GELMAN INC.  
AS RECEIVER OF  
WOODINGTON ESTATES INC.**

**MAY 13, 2025**

**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 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		
<b>Total uses</b>	<b>22,015</b>	<b>Total sources</b>	<b>22,015</b>

- 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 13<sup>th</sup> 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, *CIRP, LIT*

  
Per: \_\_\_\_\_  
Adam Zeldin, *CPA, CA, CIRP, LIT*

## **APPENDIX “A”**

**FIRST REPORT OF  
ALBERT GELMAN INC.  
AS RECEIVER OF  
WOODINGTON ESTATES INC.**

**JANUARY 27, 2025**

**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 from 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 be 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 27<sup>th</sup> 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**

 **Bryan  
Gelman**

Per: \_\_\_\_\_  
Bryan Gelman, CIRP, LIT



Per: \_\_\_\_\_  
Adam Zeldin, CPA, CA, CIRP, LIT

## **APPENDIX “B”**



SUPERIOR COURT OF JUSTICE

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00725570-00CL

DATE: April 2, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING:

Eisen, Trustee, Melvyn  
V  
Woodington Estates Inc. / Goldy Metals Holdings Inc. / Silvio Construction Co Ltd. /  
Turf Care Products Canada Ltd.

BEFORE: Justice Steele

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant:**

Name of Person Appearing	Name of Party	Contact Info
Harvey Chaiton	Eisen, Melvyn (Trustee)	<a href="mailto:harvey@chaitons.com">harvey@chaitons.com</a>

**For Defendant, Respondent:**

Name of Person Appearing	Name of Party	Contact Info
David Ulmann	Woodington Estates Inc.	<a href="mailto:dullman@blaney.com">dullman@blaney.com</a>
Anisha Samat	Wooding Management Inc. 10000736785 Ontario Ltd.	<a href="mailto:asamat@blaney.com">asamat@blaney.com</a>
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Adam Zeldin	AGI, Receiver	<a href="mailto:azeldin@albertgelman.com">azeldin@albertgelman.com</a>
Bryan Gelman	AGI, Receiver	<a href="mailto:bgelman@albertgelman.com">bgelman@albertgelman.com</a>
Nicole Maragna	Silvio Construction Co Ltd.	<a href="mailto:nmaragna@bianchipresta.com">nmaragna@bianchipresta.com</a>

**For Other, Self-Represented:**

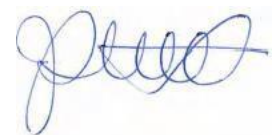
Name of Person Appearing	Name of Party	Contact Info

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**ENDORSEMENT OF JUSTICE STEELE:**

- [1] Case conference held on April 2, 2025.
- [2] The parties seek to reschedule the April 16, 2025 motion date. **The April 16, 2025 date shall be vacated.**
- [3] The motion is scheduled for **June 27, 2025 (full day) before Justice Black, subject to his availability on the Commercial List.**
- [4] The following schedule applies:

Delivery of Reply Materials (Receiver / Applicant / Goldy Metals Holdings Inc.)	May 12, 2025
Cross-examinations, if needed	Weeks of May 19 and/or May 26, 2025 (subject to client/counsel availability)
Delivery of Receiver's factum	June 2, 2025
Delivery of Responding factum	June 9, 2025
Delivery of Reply factum, if needed	June 13, 2025
Hearing	June 27, 2025



## **APPENDIX “C”**

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

**NOTICE OF MOTION**

The Applicant will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 6, 2025 at 10:00 a.m. (Toronto Time) to be heard together with the Receiver’s motion for approval of the proposed Sale Process and Ancillary Relief Order (as defined herein), or as soon after that time as the motion can be heard.

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

- ☐ In writing under subrule 37.12.1(1) because it is made without notice;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☒ In person unless otherwise directed by the Court;
- ☐ By telephone conference;
- ☐ By video conference;

**THE MOTION IS FOR:**



1. An Order that the business and assets of the Golf Club (as defined herein) shall be included in the sale process sought to be approved by the Receiver (as defined herein) pursuant to the proposed Sale Process and Ancillary Relief Order (the “**Sale Process**”) at the motion returnable on March 6, 2025; and
2. Such further and other relief as this Court deems just;

**THE GROUNDS FOR THIS MOTION ARE:**

***The Real Property***

3. Woodington Estates Inc. (“**Woodington Estates**”) is the registered owner of the real property known municipally as 7110 4<sup>th</sup> Line, Tottenham, Ontario (the “**Real Property**”);
4. Joseph Chetti (“**Chetti**”) is the sole director and officer of Woodington Estates;
5. Pursuant to an agreement of purchase and sale dated December 22, 2017 (the “**Golf Course Lands APS**”), Rockland Estates Inc., a company controlled by Chetti, agreed to acquire the Real Property from Southridge Vistas Inc.;
6. Pursuant to an assignment agreement dated January 11, 2019 (the “**Assignment Agreement**”), Rockland Estates Inc. assigned the Golf Course Lands APS to Woodington Estates;

***The Golf Club***

7. A golf facility known as the ‘Woodington Lake Golf Club’, which consists of a thirty-six hole golf facility, a large clubhouse and a golf equipment shop (the “**Golf Club**”), is situated on, and operates from, the Real Property;

8. Pursuant to an agreement of purchase and sale dated December 22, 2017 (the “**Golf Club APS**”), Rockland Estates Inc. agreed to acquire the Golf Club business assets from Woodington Lake Golf Club Inc.;
9. Pursuant to the Assignment Agreement, Rockland Estates Inc. assigned the Golf Club APS to Woodington Management Inc. (“**Woodington Management**”), a guarantor under the Eisen Mortgage (as defined herein);
10. Although the business name ‘Woodington Lake Golf Club’ was previously registered by Woodington Management, the business name ‘Woodington Lake Golf Club’ is currently registered to 1000736785 Ontario Limited (“**785**”);
11. Frances Chetti, the spouse of Chetti, is the sole director of 785;

***Eisen Loan and Security***

12. Melvyn Eisen (“**Eisen**”) is a private lender carrying on the business of mortgage lending on behalf of investors by way of syndicated loans in which Eisen acts as trustee for the lenders;
13. Eisen made a syndicated loan to Woodington Estates in the amount of \$11.5 million on January 9, 2019 (the “**Eisen Loan**”);
14. The Eisen Loan was to be used by Woodington Estates for various purposes including: (i) to purchase the Real Property; (ii) to fund improvements to the Golf Club; and (iii) to provide additional working capital to Woodington Estates;

15. In addition to Eisen, the participants in the syndicated Eisen Loan included, among other parties, Windsor Private Capital Limited Partnership, and Windsor II Limited Partnership which collectively advanced approximately \$10.5 million in the aggregate;

16. The Eisen Loan matured on March 1, 2020 and was not repaid on maturity;

17. As of November 29, 2024, the amount owing, for principal and interest, under the Eisen Loan was approximately \$12.3 million (the “**Eisen Indebtedness**”);

18. The Eisen Indebtedness is secured by (collectively, the “**Eisen Security**”): (i) a charge/mortgage in favour of Eisen in the principal amount of \$11.5 million registered on title to the Real Property on January 11, 2019 (the “**Eisen Mortgage**”); and (ii) an assignment of rents, notice of which was registered on title to the Real Property on January 11, 2019 (“**Assignment of Rents**”);

19. In addition to the Eisen Security, each of Chetti, Elena Salvatore, and Woodington Management jointly and severally guaranteed Woodington Estates’ obligations under the Eisen Mortgage;

### ***Goldy Loan and Security***

20. Woodington Estates is indebted to Goldy Metals Holdings Inc. (“**Goldy**”) pursuant to a Commitment Letter dated July 24, 2019, in the principal amount of \$5.5 million (the “**Goldy Loan**”);

21. The Goldy Loan matured on August 12, 2020 and was not repaid upon maturity;

22. As security for the Goldy Loan, Woodington Estates provided a mortgage in the principal amount of \$5.5 million registered on title to the Real Property on August 12, 2019 (the “**Goldy Mortgage**”), along with an assignment of rents and a general security agreement over all contracts, chattels, fixtures and leasehold improvements located at or upon or relating to Real Property;

23. On August 9, 2023, Goldy initiated power of sale proceeding (the “**Goldy Power of Sale Proceedings**”) in respect of the Real Property and arranged for the Real Property to be listed for sale on December 29, 2023;

***Receivership Proceedings of Woodington Management***

24. Pursuant to an application brought by the Applicants, the Court granted an Order on December 2, 2024 (the “**Receivership Order**”) appointing Albert Gelman Inc. (“**AGI**”) as receiver (the “**Receiver**”), without security, over all of the assets, undertakings and properties of Woodington Estates, including the Real Property, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, RSO 1990, c. C.43, as amended (the “**CJA**”);

25. Pursuant to the Receivership Order, the Receiver is authorized to market any or all of the property of Woodington Estates (the “**Woodington Estates Property**”), including advertising and soliciting offers in respect of the Woodington Estates Property or any part of parts thereof and negotiating such terms and conditions of sale as the Receiver in discretion may deem appropriate; with Joseph Chetti, the principal of Woodington Estates, and his representatives having a consultative role in the development of the marketing and sale plan for the Woodington Estates Property;

### ***Fraudulent Conveyance of the Golf Club Assets to 785***

26. The Receiver requested copies 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, but the Receiver did not receive a response;

27. The transfer or conveyance of the Golf Club assets to 785 occurred at a time when the Eisen Mortgage had matured and was in default, following the initiation of the Goldy Power of Sale Proceedings, and nearly two-weeks prior to the Real Property being listed for sale in connection therewith;

28. The circumstances surrounding the transfer/conveyance of the Golf Club assets by Woodington Management to 785 give rise to the inference that it was a fraudulent conveyance made with the intention of defeating, hindering, delaying or defrauding creditors or others, and/or may be a transfer at undervalue;

### ***Disposition of the Real Property free and clear of the Lease***

29. On January 8, 2025, counsel to Woodington Estates provided the Receiver with a three-page lease in respect of the Real Property entered into between Woodington Estates (as landlord) and 785 (as tenant), dated December 15, 2023, and signed on behalf of both parties by Chetti (the “Lease”);

30. The Lease contemplates a 10-year term commencing on April 2, 2020 (which is over three years prior to the incorporation of 785), a rent-free period for the first five years of the term, after

which 785 is to pay a monthly rent of \$10,000, and the requirement for 785 to make a \$4 million investment towards renovating and enhancing the Real Property;

31. Standard Charge Terms No. 200033, which are incorporated by reference into the Eisen Mortgage and the Goldy Mortgage, provide that Woodington Management shall not commit any act, deed, matter or thing whatsoever whereby or by means whereof the Real Property, or any part or parcel thereof, is or shall or may be in any way charged, affected or encumbered in title, estate or otherwise;

32. The existence of the Lease, and its terms, impairs the value of the Real Property, and has the effect of potentially hindering, delaying and defeating Woodington Estates' creditors;

33. The Lease was executed by Woodington Estates after the Eisen Mortgage and Goldy Mortgage had been granted and were in default;

34. Neither Eisen nor Goldy gave express or implied consent to Woodington Estates to enter into the Lease nor were they even aware of the Lease;

35. In terms of legal priorities, the Eisen Mortgage and the Goldy Mortgage have legal priority over any interest that 785 has in the Real Property pursuant to the Lease;

36. If either Eisen or Goldy had proceeded by way of power of sale, they could sell the Real Property to a purchaser free and clear of the leasehold interest of 785;

37. In light of the circumstances surrounding the transfer of the Golf Club to 785 and the execution of the Lease, and given their adverse impact on the Receiver's proposed Sale Process,

this Court should order that the Golf Club shall be included in the Sale Process and that the Receiver may sell the Real Property free and clear of the Lease;

**OTHER GROUNDS:**

38. The grounds set out in the First Report of the Receiver dated January 27, 2025 (the “**First Report**”);

39. Sections 96 and 243 of the BIA, as amended;

40. Section 101 of the CJA, as amended;

41. Section 2 of the *Fraudulent Conveyances Act*, R.S.O. 1990, F.29;

42. Rules 1.04, 2.03, 3.02, 30, 37 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

43. Such further and other grounds as counsel may advise and this Court may permit;

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this motion:

- (a) the First Report and the appendices thereto; and
- (b) such further and other evidence as counsel may advise and this Court may permit.

February 10, 2025

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, Ontario M2N 7E9

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Lawyers for the Applicant,  
Melvyn Eisen, Trustee



**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

**NOTICE OF MOTION**

**CHAITONS LLP**

5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

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Lawyers for the Applicant  
Melvyn Eisen, Trustee

## **APPENDIX “D”**

# Agreement of Purchase and Sale Commercial

## Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 8th day of December, 2024

**BUYER:** ASHLEEN HOTELS INC., agrees to purchase from  
(Full legal names of all Buyers)

**SELLER:** WOODINGTON ESTATES INC. AND 1000736785 ONTARIO LTD., the following  
(Full legal names of all Sellers)

### REAL PROPERTY:

Address 7110 4TH Line, Tottenham, L0G 1W0

fronting on the North side of 4th line

in the City of Tottenham

and having a frontage of ..... more or less by a depth of ..... more or less

and legally described as

**PT LTS 1, 2 & 3 CON 4 AS IN R01284373 EXCEPT PT 1 51R31629 TECUMSETH; S/T R0318906; NEW TECUMSETH**

(legal description of land including easements not described elsewhere)

(the "property")

### PURCHASE PRICE:

Dollars (CDN\$) .....

XX Dollars

**DEPOSIT:** Buyer submits ..... as otherwise described in this Agreement  
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

SEE SCHD 'A'

Dollars (CDN\$) .....

by negotiable cheque payable to BLANEY McMURTRY "Deposit Holder"  
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

**SCHEDULE(S) A** ..... attached hereto form(s) part of this Agreement.

**1. IRREVOCABILITY:** This offer shall be irrevocable by Buyer SELLER until 11 on  
(Seller/Buyer) (a.m./p.m.)  
the 9th day of December, 2024, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

**2. COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ..... day of .....  
See Schd "A", 20..... Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

XX

INITIALS OF SELLER(S):

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **The Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the Buyer (multiple representation) or where the Buyer or the Seller is a self-represented party.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: .....  
(For delivery of Documents to Seller)

FAX No.: .....  
(For delivery of Documents to Buyer)

Email Address: .....  
(For delivery of Documents to Seller)

Email Address: .....  
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**

All chattels used in connection with the Property and the business shall be included in the Purchase Price and seller will provide the complete list of Chattel's and Equipment's and machinery within 1 week of acceptance of this Agreement of purchase and sale.

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

All Fixtures attached to or used in connection with the Property and the business shall be included in the Purchase Price and seller will provide the complete list of Chattel's fixtures within 1 week of acceptance of this Agreement of purchase and sale.

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:  
Seller to provide a list of all the rental items within 1 week of acceptance of this Agreement of Purchase and sale.

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





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**8. TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 5th day prior to completion

(Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

are no outstanding work orders or deficiency notices affecting the property, that its present use ( Golf course , Banquet hall and Restaurant ) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

**9. FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

**10. TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

**11. CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

**12. DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

**13. INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

**14. INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;  
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Lynx high value payment system as set out and prescribed by the *Canadian Payments Act (R.S.C., 1985, c. C-21)*, as amended from time to time.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing urea formaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains urea formaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. ELECTRONIC SIGNATURES:** The parties hereto consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time with respect to this Agreement and any other documents respecting this transaction.
- 28. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

**29. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.  
SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Buyer/Authorized Signing Officer) **ASHLEEN HOTEL** (Seal)

(Date) **Dec-08-2024**

(Witness)

(Buyer/Authorized Signing Officer) (Seal)

(Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Seller/Authorized Signing Officer) (Seal)

(Date)

(Witness)

(Seller/Authorized Signing Officer) (Seal)

(Date)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness)

(Spouse) (Seal)

(Date)

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at ..... this ..... day of ..... 20.....  
[a.m./p.m.]

(Signature of Seller or Buyer)

### INFORMATION ON BROKERAGE(S)

Listing Brokerage ..... (Tel.No.)

(Salesperson/Broker/Broker of Record Name)

Co-op/Buyer Brokerage **Re/Max Gold realty inc. brokerage** **9054561010**

(Tel.No.)

**Sukhi Ghotra**

(Salesperson/Broker/Broker of Record Name)

### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) (Date)

(Seller) (Date)

Address for Service ..... (Tel. No.)

Seller's Lawyer ..... (Tel. No.)

Address ..... (Tel. No.)

Email ..... (Tel. No.)

(Tel. No.) (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) **ASHLEEN HOTELS INC.** (Date) **Dec-08-2024**

(Buyer) (Date)

Address for Service ..... (Tel. No.)

Buyer's Lawyer ..... (Tel. No.)

Address ..... (Tel. No.)

Email ..... (Tel. No.)

(Tel. No.) (Fax. No.)

### FOR OFFICE USE ONLY

### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

**Sukhi Ghotra**

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage) **Sukhi Ghotra**

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# Schedule A

## Form 500

for use in the Province of Ontario

## Agreement of Purchase and Sale - Commercial

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER:** ..... **ASHLEEN HOTELS INC.** ....., and

**SELLER:** ..... **WOODINGTON ESTATES INC.** .....

for the purchase and sale of **7110 4TH Line, Tottenham, L0G 1W0** ..... **Tottenham** .....

..... dated the **8th** ..... day of ..... **December** ..... **2024** .....

Buyer agrees to pay the balance as follows:

### 5) ADDITIONAL DEPOSIT

Buyer agrees to pay an additional deposit of \$500,000 within 48 Hrs. upon firming up the deal, by negotiable cheque payable to Seller lawyer trust account "Deposit Holder" to be held in trust pending completion or other termination of this agreement and to be credited towards the purchase price upon completion.

### 6) VENDOR TAKE BACK:

The seller agrees to take back a second (2nd) charge/mortgage in the amount of \$5,000,000 (five million dollars) CAD bearing an interest rate of 8% per annum, calculated annually. The term for the vendor take back mortgage will be 24 months.

### 7) SOLICITOR REVIEW CONDITION:

This offer is conditional upon the Buyer Solicitor to review the terms of this Agreement and Property specifications to the Buyer's satisfaction within the due-diligence period. The Buyer agrees to take over existing employees of the Property upon closing of the transaction, subject to employment law requirements and mutual agreement between the Buyer and the employees, Buyer will have the full right to review the terms of Employment not limited to salaries, term of employment, job description etc.

### 8) ASSIGNMENT

At any time following the execution of this Agreement of Purchase and Sale, the Buyer shall have the unilateral right to assign the benefit of this Agreement of Purchase and Sale to another person(s), partnership, corporation or corporations incorporated or to be incorporated, and upon such assignment and notification thereof in writing to the Seller, the Buyer named herein shall remain liable until closing.

9) The Buyer and Seller agree that in the event that the Buyer or Seller respective solicitors, lenders, and Banks, or the Land Registry office becomes the subject of a mandatory Covid-19 virus closure at the time of performance hereunder that reserves in the affected parties inability to complete the transaction as scheduled, the completion date shall be automatically extended at the request of the affected party for an expected closing date not more than Three(3) business days after the reopening of these institutions. Time shall remain of the essence for any extended closing date as a result of this clause.

10) The Seller authorizes the concerned Government officials to release to the Buyer, or the Buyer's Representative of Solicitor, any and all information that may be on record in the Ministry's office with respect to the said property.

11) The Parties to this transaction acknowledge that no information provided by RE/MAX Gold Realty Inc. Brokerage and its representative is to be construed as expert legal, tax, financial, building condition, or environmental advice.

### 12) SURVEY CLAUSE

The Seller agrees to provide at his own expense, within 3 business days following acceptance of this Offer, an existing survey of said property showing the current location of all structures, buildings, improvements, easements, rights-of-way, and encroachments affecting said property. The Seller will further deliver, on completion, a declaration confirming that there have been no additions to the structures, buildings and improvements on the property since the date of the survey.

### 13) SELLER FURTHER WARRANTS THAT:

- a) There are no claims, threats or pending litigation against the Property.
- b) The seller is a resident of Canada within the meaning of the Income Tax Act (Canada).
- c) That to the best of the Seller's knowledge and belief, the Property is not in any way contaminated

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER:** ASHLEEN HOTELS INC., and

**SELLER:** WOODINGTON ESTATES INC.

for the purchase and sale of 7110 4TH Line, Tottenham, L0G 1W0 Tottenham

dated the 8th day of December, 2024

Buyer agrees to pay the balance as follows:

or polluted with any hazardous or potential contaminants or area formaldehyde foam insulation.

**14) BUSINESS CONDITIONS.**

a) If prior to closing there is substantial damage to the premises in which the business is carried on or to the asset being purchased, purchaser may at his sole and absolute discretion, either permit the proceeds of the insurance to be used for repair of such damages in accordance with the provisions of the insurance and extend the closing date to the date necessary for the repairs to be effected or terminate this agreement and all deposit monies paid by the Buyer will be immediately returned to the Buyer in full without interest or deductions.

b) The seller warrants that the said Business shall be clear and free of all debts, liens or any other encumbrances.

c) The seller warrants to pay all retails Sales Tax, ~~Federal Tax~~, Hydro, Gas & Water prior to the closing of this transaction.

d) ~~Seller acknowledge that there is no renovation or upgrades required at the time of closing.~~ *Deleted*

e) The Seller warrants that any existing heating, air-conditioning and all equipment's are in good working order.

f) To transfer the telephone number provided. Seller personally warrants payments of all charges and provides evidence of payment of all telephone bills up to closing, satisfactory to the Buyer.

g) The seller acknowledges that there are no outstanding work orders by the health, city and fire Department

h) Seller agrees to provide list of Items, all fixtures, goods, chattels, contracts with vendors/suppliers and rights and other assets relating to or connected with the business that are included with this transaction (Signed by the Seller) within 5 business days upon acceptance of this Agreement of Purchase and sale.

i) Seller agrees to provide Copies of any other agreements, affecting the business operating or use of equipment or fixtures (Leases, rental, service etc.) within 5 Business days upon acceptance of this Agreement of purchase and sale.

j) The Buyer agrees to take over the existing employees and the seller agrees to pay all the employees required wages, benefits, vacation pay, Canada pension, unemployment insurance and worker's compensation up to closing, the seller warrants that it will hold harmless the buyer from any and all damages from any previous employee up to the closing date.

k) Seller acknowledges that all Chattels attached shall be free and clear of all debts, liens or any other encumbrances and old lease is attached with agreement for reference.

l) The seller agrees that all deposits made by clients and the related contracts, for events booked for, after the closing date shall be transferred to The Buyer on the closing date, *OR ADJUSTED ON CLOSING*

**15. CLOSING DATE:**  
30 business days after firming up the transaction. *NEED A FIRM DATE.*

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

*(Signature)*

INITIALS OF SELLER(S):

*(Signature)*

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**Agreement of Purchase and Sale - Commercial**

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER:** ..... **ASHLEEN HOTELS INC.** ....., and

**SELLER:** ..... **WOODINGTON ESTATES INC.** .....

for the purchase and sale of ..... **7110 4TH Line, Tottenham, L0G 1W0** .....

..... dated the ..... **8th** ..... day of ..... **December** ....., **2024** .....

**16) FINANCIALS:**

Sellers agrees to provide business financials from January ~~2022~~ <sup>2023</sup> till date of acceptance of this Agreement of Purchase and Sale within 5 business days of acceptance of this Agreement of Purchase and Sale.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

**INITIALS OF BUYER(S):**



**INITIALS OF SELLER(S):**





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## **APPENDIX “E”**

## Adam Zeldin

---

**From:** Legal Eye Professional Corporation <info@legaleye.ca>  
**Sent:** January 13, 2025 8:45 AM  
**To:** dullman@blaney.com; Adam Zeldin  
**Cc:** Lucky Walia  
**Subject:** Offer for Property and Business at 7110 4th Line, Tottenham, ON

Good morning,

I hope this email finds you well.

We represent the Buyer, 1001030529 Ontario Inc., in connection with their interest in purchasing the property and business located at:

Property Address:  
7110 4th Line, Tottenham, ON

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

PIN:  
58170 - 0266

We are pleased to present an offer of [REDACTED] for both the property and the business. The breakdown of the offer is as follows:

1. [REDACTED] for the land value.
2. [REDACTED] for the business, inclusive of business assets, adjusted by:
  - Deduction of deposits for all future events booked and scheduled after the closing date.
  - Any further conditions that the Buyer's lawyer may deem necessary.

Should you have any questions or require further details regarding the offer, please do not hesitate to contact us.

We look forward to your response at your earliest convenience.

Yours very truly,  
Anu Singh

Legal Eye Professional Corporation  
T: [905 796 4605](tel:9057964605)  
F: [905 796 4606](tel:9057964606)  
E: [info@legaleye.ca](mailto:info@legaleye.ca)

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## **APPENDIX “F”**

## 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

**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 Inc. | T: 416.504.1650 ext. 129 | E: [azeldin@albertgelman.com](mailto:azeldin@albertgelman.com) | A: 250 Ferrand Dr., Suite 403, Toronto, ON, M3C 3G8 [www.albertgelman.com](http://www.albertgelman.com)

\*\*\*\*\*

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## **APPENDIX “G”**

## 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 Inc. | T: 416.504.1650 ext. 129 | E: [azeldin@albertgelman.com](mailto:azeldin@albertgelman.com) | A: 250 Ferrand Dr., Suite 403, Toronto, ON, M3C 3G8 [www.albertgelman.com](http://www.albertgelman.com)

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## **APPENDIX “H”**

## Adam Zeldin

---

**From:** Adam Zeldin  
**Sent:** May 5, 2025 8:38 PM  
**To:** 'Joe Chetti'  
**Cc:** Steve Graff (sgraff@airdberlis.com); Samantha Hans; David T. Ullmann; Bryan Gelman; Anisha Samat  
**Subject:** RE: Receivership of Woodington Estates Inc. - Followup Information Request  
**Attachments:** WOODINGTON MANAGEMENT INC. - DEC 31 2024.pdf

Joe,

I write to follow up on my email below, as we have not received a response. Would you kindly reply to each item by end of day this Wednesday (May 7, 2025). We are preparing our materials for court and will be advising the court as to the status of our information requests.

In addition, I was recently contacted by Barry Kerbel who provided me with the attached financial statements for Woodington Management Inc. ("WMI") for the fiscal year-ended December 31, 2024. It is unclear to us why Mr. Kerbel would have these statements. Can you please clarify? Have these been vetted and approved by you? Similar to the 2022 and 2023 WMI financial statements, the 2024 WMI financial statements appear to include the land owned by Woodington Estates Inc. Is this correct? Again, we are reporting to the court and would like to provide the court with the most up to date and accurate information. As such, we ask that you provide answers to the foregoing questions by end of day Wednesday (May 7, 2025).

Thanks,

---

**From:** Adam Zeldin  
**Sent:** April 24, 2025 4:37 PM  
**To:** 'Joe Chetti' <joechetti@icloud.com>  
**Cc:** Steve Graff (sgraff@airdberlis.com) <sgraff@airdberlis.com>; Samantha Hans <shans@airdberlis.com>; David T. Ullmann <DUllmann@blaney.com>; Bryan Gelman <bgelman@albertgelman.com>; Anisha Samat <ASamat@blaney.com>  
**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)*



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## **APPENDIX “I”**

## Adam Zeldin

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**From:** Joe Chetti <joechetti@icloud.com>  
**Sent:** May 6, 2025 9:40 AM  
**To:** Adam Zeldin  
**Subject:** Re: Receivership of Woodington Estates Inc. - Followup Information Request

Please Do not accept anything that is provided to you by people that have No authority to do so especially Barry Kerbel !!

Unless it's OK by me Do Not Rely on it !!

And on a different Note Stop asking me for information!

I have given you all that I have

I don't work for You and U don't pay my bills !!

Regards

Sent from my iPhone

On May 5, 2025, at 8:38 PM, Adam Zeldin <azeldin@albertgelman.com> wrote:

Joe,

I write to follow up on my email below, as we have not received a response. Would you kindly reply to each item by end of day this Wednesday (May 7, 2025). We are preparing our materials for court and will be advising the court as to the status of our information requests.

In addition, I was recently contacted by Barry Kerbel who provided me with the attached financial statements for Woodington Management Inc. ("WMI") for the fiscal year-ended December 31, 2024. It is unclear to us why Mr. Kerbel would have these statements. Can you please clarify? Have these been vetted and approved by you? Similar to the 2022 and 2023 WMI financial statements, the 2024 WMI financial statements appear to include the land owned by Woodington Estates Inc. Is this correct? Again, we are reporting to the court and would like to provide the court with the most up to date and accurate information. As such, we ask that you provide answers to the foregoing questions by end of day Wednesday (May 7, 2025).

Thanks,

---

**From:** Adam Zeldin  
**Sent:** April 24, 2025 4:37 PM  
**To:** 'Joe Chetti' <joechetti@icloud.com>  
**Cc:** Steve Graff (sgraff@airdberlis.com) <sgraff@airdberlis.com>; Samantha Hans <shans@airdberlis.com>; David T. Ullmann <DUllmann@blaney.com>; Bryan Gelman <bgelman@albertgelman.com>; Anisha Samat <ASamat@blaney.com>  
**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:
  1. Revenue
    1. Pro-shop operations;

2. Administration operations;
3. Food and beverage operations; and
4. Any other revenue accounts;
1. Expenses
  1. COGS
    1. Pro-shop operations;
    2. Food and beverage operations; and
    3. Any other COGS accounts;
  2. 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)*

<image001.jpg>

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<WOODINGTON MANAGEMENT INC. - DEC 31 2024.pdf>

## Adam Zeldin

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**From:** Joe Chetti <joechetti@icloud.com>  
**Sent:** May 6, 2025 9:49 AM  
**To:** Adam Zeldin  
**Subject:** Re: Automatic reply: Receivership of Woodington Estates Inc. - Followup Information Request

And on a different note all u guys have done is damage my business and have contributed Nothing to help out so do me a favour stay the hell out of my way !!

Sent from my iPhone

On May 6, 2025, at 9:40 AM, Adam Zeldin <azeldin@albertgelman.com> wrote:

Thank you for your email. Please note that I am out of the office until May 8, 2025. During this time, I will have limited access to email, but will respond when I am able.

## **APPENDIX “J”**

**Woodington Estates Inc.**  
**Interim Statement of Receipts and Disbursements**  
**For the Period December 2, 2024 to May 12, 2025**  
**(in CAD; unaudited)**

	<b>Notes</b>	<b>Amount</b>
Receipts		
Receiver's borrowings	1	250,000
Interest		709
<b>Total receipts</b>		<b>250,709</b>
Disbursements		
Professional fees and disbursements (including HST)		
Receiver	2	107,600
Aird & Berlis LLP	2	140,121
Appraisal fees	3	1,500
HST on disbursements (excluding professional fees)		255
Insurance	4	448
Other sundry disbursements	5	604
<b>Total disbursements</b>		<b>250,527</b>
<b>Estate balance</b>		<b>182</b>

**General Note**

The above is prepared on a cash basis. Capitalized terms not defined have the meanings given to them in the Receiver's supplementary first report dated May 13, 2025.

**Notes**

1. Represents the receiver's borrowings to date in accordance with the Receivership Order.
2. Includes the fees and disbursements (including applicable taxes) of the Receiver and its counsel, A&B, that have already been paid. The figures do not include any unpaid and accrued fees/disbursements.
3. Represents the cost of an appraisal in respect of WMI's golf course equipment and machinery.
4. The Receiver has arranged for the Golf Course Lands to be insured. The Receiver understands that no such insurance was in place prior to the receivership.
5. Includes filing fees, postage, search fees and other incidental costs of the administration.