

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF ROYAL OAKS GOLF CLUB INC.

- and -

PURSUANT TO section 33 of the *Judicature Act*, RSNB 1973, c J-2, Rule 41 of the *Rules of Court*, NB Reg 82-73 and section 243 of the *Bankruptcy and Insolvency Act* RSC 1985 c B-3

BETWEEN:

CWB MAXIUM FINANCIAL INC.,

APPLICANT

- and -

ROYAL OAKS GOLF CLUB INC.,

RESPONDENT

SUPPLEMENTAL RECORD ON MOTION
for Motion scheduled to be heard December 4, 2024 at 9:30 am

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McInnes Cooper
Suite 600, Barker House
570 Queen Street, PO Box 610
Fredericton, NB E3B 5A6
Tel: (506) 458-8572
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Royal Oaks Golf Club Inc.
401 Royal Oaks Boulevard
Moncton, NB E1H 0A2

Solicitors for the Receiver,
Deloitte Restructuring Inc.

Per se

George L. Cooper, K.C.
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Solicitors for HR Corporate Strategies Ltd. and
Sunset CRE Investments LCP

Solicitors for TWI Oaks Inc.,
Esmond and Nicole Clouthier

Maeve Baird
Department of Justice Canada
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5251 Duke Street
Halifax, NS B3J 1P3
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Solicitors for Walter Steven Lunn

Office of the Superintendent in Bankruptcy
Room 1605, Maritime Centre
1505 Barrington Street
Halifax, NS B3J 3K5
Tel : (877) 376-9902
Fax : (902) 426-7275
Email: osbservice-bsfservice@ised-isde.gc.ca

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Court File No. SJM-44-2024

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF RECEIVERSHIP OF ROYAL OAKS GOLF CLUB INC.

-and-

PURSUANT TO section 33 of the *Judicature Act*, RSNB 1973, c J-2, Rule 41 of the *Rules of Court*, NB Reg 82-73 and section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3

BETWEEN:

CWB MAXIUM FINANCIAL INC.,

Applicant

- and -

ROYAL OAKS GOLF CLUB INC.

Respondent

Affidavit of Ronald Hrynyk

I, Ronald Hrynyk, of King City, in the Province of Ontario, make oath and say:

1. I am a former Director of the Respondent, Royal Oaks Golf Club Inc. ("**ROGC**"), and the sole shareholder of HR Corporate Strategies Ltd. ("**HR**"), a shareholder of ROGC, and I have personal knowledge of the facts below, except where otherwise stated.

Background

2. I was a Director of ROGC from July 27, 2016, until September 12, 2023.
3. HR became a shareholder of ROGC on March 28, 2019.
4. On March 29, 2019, Walter Steven Lunn ("**Mr. Lunn**") became a shareholder of ROGC. The Share Certificate and Shareholders Ledger reflect that 125,667 common shares were issued to Mr. Lunn that day.

Receiver's Motion

5. In this motion, the Receiver seeks approval of its proposal to deal with the distributable funds from the receivership amounting to \$4,573,698, as follows: (1) first, CWB Maxium would be paid out, (2) then non-related party claims would be reviewed and paid out through a Creditor Claims Process, and (3) then any remainder would be paid into Court pending a resolution or determination of the outstanding shareholder disputes.
6. The Receiver identifies three "Priority Claims" that "may form a priority charge ahead of the CWB indebtedness"—payroll taxes of approximately \$11,000, HST of approximately \$35,000 to \$240,000, and amounts owing to two employees under WEPPA of no more than \$4,000—but concludes that the distributable funds from the receivership amounting to \$4,573,698 far exceed the amount owing to CWB Maxium (\$2,390,177 plus a legal accrual of \$4,000 plus a daily per diem of \$1,145), and therefore seeks approval of the distribution to CWB Maxium before the Creditor Claims Process proceeds.
7. Mr. Lunn and I have both been identified by the Receiver as creditors related to the ROGC shareholders, i.e. "Related Party Creditors" of ROGC, which would preclude us from submitting claims through the Creditor Claims Process.
8. The Receiver correctly notes that I have expressed concerns over the accounting treatment and magnitude of some of the Related Party Creditors.
9. The Receiver also correctly notes that there are a number of open matters before the New Brunswick Court of King's Bench regarding ROGC, its shareholders, and Related Party Creditors, including the action filed by TW1 Oaks Inc. on May 12, 2021, bearing Court File no. MC 314-2021 (the "**2021 Action**").
10. A true copy of the following pleadings filed in the 2021 Action are attached hereto:
 - (a) Notice of Action with Statement of Claim Attached filed May 12, 2021, attached as **Exhibit "A"**;

- (b) Notice of Counterclaim filed by me and HR on June 30, 2021, attached as **Exhibit “B”**;
 - (c) Amended Notice of Action filed July 19, 2021, attached as **Exhibit “C”**;
 - (d) Defence to Counterclaim filed by TW1 Oaks Inc., Twelve12 Investments and Consultancy Inc., and Esmond Clouthier on July 19, 2021, attached as **Exhibit “D”**;
 - (e) Statement of Defence of Counterclaim filed by Walter Steven Lunn on June 13, 2022, attached as **Exhibit “E”**;
 - (f) Notice of Counterclaim on behalf of Walter Steven Lunn dated March 27, 2024, attached as **Exhibit “F”**; and
 - (g) Defence to Counterclaim filed by me and HR on July 15, 2024 (the “**Hrynyk Defence to Counterclaim**”), attached as **Exhibit “G”**.
11. I agree with the Receiver’s statement that these disputes are better resolved outside of this proceeding.
12. In his Affidavit, Mr. Lunn asserts that in March 2021, he exercised a Put Option that entitled him to have his shares repurchased by ROGC, and had the Put Option been honoured, he would have been paid out and no longer listed as a shareholder of ROGC.
13. Essentially, Mr. Lunn is saying he should not be considered a Related Party Creditor and he should therefore be entitled to submit a non-related party claim through the Creditor Claims Process, for the amount he is allegedly owed further to the exercise of his Put Option.
14. The problem with Mr. Lunn’s position is that the following issues are squarely in dispute in the 2021 Action:
- (a) The validity and enforceability of the Share Purchase Agreement between ROGC, Mr. Lunn, HR and TW1 Oaks Inc. (Hrynyk Defence to Counterclaim, para. 4);

- (b) The validity and enforceability of the Put Option as against HR or me and Jacquie Boddaert personally, or at all (Hrynyk Defence to Counterclaim, paras. 6-9);
 - (c) The validity and enforceability of the alleged extension of the Put Option (Hrynyk Defence to Counterclaim, para. 10);
 - (d) Whether Mr. Lunn validly exercised the Put Option (Hrynyk Defence to Counterclaim, para. 11); and
 - (e) Whether Mr. Lunn's Notice of Counterclaim filed March 27, 2024, is barred by Section 5 of the *Limitation of Actions Act*, S.N.B. 2009, c. L-8.5.
15. These are just some of the outstanding issues that are in dispute in the 2021 Action.

SWORN TO at the City of
Toronto, in the Province of
 Ontario on the 28th day of
 November, 2024, BEFORE ME:

Name: Gregory H. Harris

Ronald Hrynyk

This is **Exhibit "A"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 28th day of November,
2024, BEFORE ME:

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes, is written over a horizontal line.

Court File No: MC 314-2021

Numéro de cause: _____

IN THE COURT OF QUEEN'S BENCH OF
NEW BRUNSWICKCOUR DU BANC DE LA REINE DU
NOUVEAU-BRUNSWICK

TRIAL DIVISION

DIVISION DE PREMIÈRE INSTANCE

JUDICIAL DISTRICT OF MONCTON

CIRCONSCRIPTION JUDICIAIRE DE
MONCTON

BETWEEN:

ENTRE:

TW1 OAKS INC.,

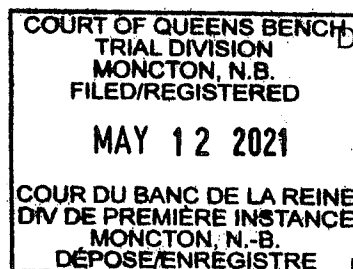
Plaintiff,

- and -

- et -

**RONONALD HRYNYK and HR
CORPORATE STRATEGIES INC.**

Defendants.



Demandeur

Défendeur

**NOTICE OF ACTION WITH
STATEMENT OF CLAIM ATTACHED
(FORM 16A)****AVIS DE POURSUITE ACCOMPAGNÉ
D'UN EXPOSÉ DE LA DEMANDE
(FORMULE 16A)**To: Ronald Hrynyk
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3

DESTINATAIRE:

And to: HR Corporate Strategies
c/o Ronald Hrynyk
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3LEGAL PROCEEDINGS HAVE
BEEN COMMENCED AGAINST YOU BY
FILING THIS NOTICE OF ACTION WITH
STATEMENT OF CLAIM ATTACHED.PAR LE DÉPÔT DU PRÉSENT
AVIS DE POURSUITE ACCOMPAGNÉ
D'UN EXPOSÉ DE LA DEMANDE, UNE
POURSUITE JUDICIAIRE A ÉTÉ
ENGAGÉE CONTRE VOUS.

If you wish to defend these proceedings, either you or a New Brunswick lawyer acting on your behalf must prepare your Statement of Defence in the form prescribed by the *Rules of Court* and serve it on the Plaintiff or the Plaintiff's lawyer at the address shown below and, with proof of such service, file it in this Court Office together with the filing fee of \$50.

Si vous désirez présenter une défense dans cette instance, vous-même ou un avocat du Nouveau-Brunswick chargé de vous représenter devrez rédiger un exposé de votre défense en la forme prescrite par les Règles de procédure, le signifier au demandeur ou à son avocat à l'adresse indiquée ci-dessous et le déposer au greffe de cette Cour avec un droit de dépôt de \$50 et une preuve de sa

signification:

- | | |
|--|---|
| <p>(a) if you are served in New Brunswick, WITHIN 20 DAYS after service on you of this Notice of Action with Statement of Claim Attached, or</p> <p>(b) if you are served elsewhere in Canada or in the United States of America, WITHIN 40 DAYS after such service, or</p> <p>(c) if you are served anywhere else, WITHIN 60 DAYS after such service.</p> | <p>(a) DANS LES 20 JOURS de la signification qui vous sera faite du présent avis de poursuite accompagné d'un exposé de la demande, si elle vous est faite au Nouveau-Brunswick ou</p> <p>(b) DANS LES 40 JOURS de la signification, si elle vous est faite dans une autre région du Canada ou dans les États-Unis d'Amérique ou</p> <p>(c) DANS LES 60 JOURS de la signification, si elle vous est faite ailleurs.</p> |
|--|---|

If you fail to do so, you may be deemed to have admitted any claim made against you, and without further notice to you, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE.

Si vous omettez de le faire, vous pourrez être réputé avoir admis toute demande formulée contre vous et, sans autre avis, JUGEMENT POURRA ÊTRE RENDU CONTRE VOUS EN VOTRE ABSENCE.

You are advised that:

- (a) you are entitled to issue documents and present evidence in the proceeding in English or French or both;
- (b) the Plaintiff intends to proceed in the English language; and
- (c) your Statement of Defence must indicate the language in which you intend to proceed.

If you pay to the Plaintiff or the Plaintiff's lawyer the amount of the Plaintiff's claim, together with the sum of \$100 for the Plaintiff's costs, within the time you are required to serve and file your Statement of Defence, further proceedings will be stayed or you may apply to the court to have the action dismissed.

Sachez que:

- (a) vous avez le droit dans la présente instance, d'émettre des documents et de présenter votre preuve en français, en anglais ou dans les deux langues;
- (b) le Demandeur a l'intention d'utiliser la langue anglais; et
- (c) l'exposé de votre défense doit indiquer la langue que vous avez l'intention d'utiliser.

Si, dans le délai accordé pour la signification et le dépôt de l'exposé de votre défense, vous payez au demandeur ou à son avocat le montant qu'il réclame, plus \$100 pour couvrir ses frais, il y aura suspension de l'instance ou vous pourrez demander à la cour de rejeter l'action.

THIS NOTICE is signed and sealed
for the Court of Queen's Bench by Chantal
Morneau, Clerk of the Court at Moncton,
New Brunswick, on the 12th day of May
2021.

CET AVIS est signé et scellé au
nom de la Cour du Banc de la Reine par
_____, greffière de la Cour à
_____, ce _____ jour de mai 2021.

Chantal Morneau
Chantal Moreau, Clerk



Address:

Court of Queen's Bench of New Brunswick,
Moncton Law Courts
145 Assumption Blvd.
Moncton, NB E1C 0R2

Adresse:

STATEMENT OF CLAIM

1. The Plaintiff, TW1 Oaks Inc. ("**TW1**") is a corporation incorporated pursuant to the laws of the Province of Ontario with a registered office at 167 Brule Trail, King, Ontario.
2. The Defendant, HR Corporate Strategies Inc. ("**HR**") is a corporation incorporated pursuant to the laws of the Province of Ontario with a registered office at 2495 Lloydtown Aurora Side Road, King, Ontario.
3. TW1 and HR are the voting shareholders of the Royal Oaks Golf Club Inc. ("**Royal Oaks**" or "**the Corporation**"), a New Brunswick corporation that owns and operates the Royal Oaks Golf Club in Moncton, New Brunswick.
4. The Defendant, Ronald Hrynyk ("**Hrynyk**") resides at 2495 Lloydtown Aurora Side Road in King City, Ontario. Hrynyk is a director and officer of Royal Oaks and a shareholder, director and officer of HR.

Shareholders and Directors of Royal Oaks

5. TW1 became a shareholder of Royal Oaks in January of 2018.
6. At that time, its only other shareholder was a limited liability partnership, Sunset CRE Investments I LPP, organised under the laws of British Columbia, and whose sole members were Hrynyk (50%) and Patrick Miniutti ("**Miniutti**") (50%). TW1 purchased one third of the shares in the Corporation and acquired a proportionate share of its existing debt.
7. In March of 2019, a corporate reorganization agreed to by all shareholders provided TW1 with a majority of the voting shares of the Corporation; removed Miniutti from the exercise of any voting rights or involvement in business operations; and added a new investor, Walter Stephen Lunn ("**Lunn**") who provided capital in exchange for non-voting common shares with a put option.
8. The shareholdings of the Corporation from March 29, 2019 and to the present date are as follows:
 - (a) TW1: 218,000 voting common shares;
 - (b) HR: 159,000 voting common shares;

- (c) Lunn: 125,677 non-voting common shares; and
 - (d) Miniutti: 100,000 non-voting class "C" preferred shares.
9. HR and TW1, as voting shareholders, are parties to a Shareholders' Agreement dated March 29, 2019 ("**the Shareholders' Agreement**").
10. Section 3 of the Shareholders' Agreement states that the Board of Directors of the Corporation shall be composed of three (3) directors. It further confirms the appointment of Esmond Clouthier ("**Clouthier**"), who is a principal of TW1, and Hrynyk as the initial directors to manage the affairs by unanimous decision until appointment of a third director.
11. As of the present date, Clouthier (President) and Hrynyk (Secretary-Treasurer) are the only directors of the Corporation.

Shareholders and Directors of the Ontario Corporation

12. 2246329 Ontario Inc. ("**the Ontario Corporation**") is an Ontario corporation that owns vacant land for development at 195 Royal Oaks Boulevard in Moncton, New Brunswick, which is adjacent to Royal Oaks.
13. The shareholders of the Ontario Corporation are TW1 (54%) and HR (46%). Its directors are Hrynyk (President) and Clouthier (Vice-President).

Representations & Reasonable Expectations

14. Hrynyk induced TW1 to purchase shares in the Ontario Corporation and Royal Oaks and to acquire a significant portion of its existing debt on the representation, among others, that Royal Oaks was a long term investment with the opportunity to grow and develop a golf course that would not only generate investment return over time, but also become a significant source of pride and enjoyment for its owners, members and the community. Although it faced challenges at the time, the golf course itself had tremendous potential, which was further enhanced by the vacant land for development held by the Ontario Corporation.
15. The prospect of a long term development was particularly enticing to TW1. Its principals have significant experience in golf course operations and real property development and identified Royal Oaks as a "passion project" which they and their family could build and develop, with pride, over time.

16. At the time of its initial acquisition of shares in Royal Oaks in 2018 and the 2019 reorganization and execution of the Shareholder's Agreement, it was the reasonable expectation of TW1 that:
- (a) the directors would act honestly and in good faith, with a view to establishing and maintaining a positive reputation for Royal Oaks in the community;
 - (b) the directors would act in compliance with the Corporation's constituting documents, including its articles of incorporation as amended;
 - (c) the directors would act in the best interests of the Corporation at all times and not seek to use their power as directors to advance interests as shareholders that conflict with those of the Corporation;
 - (d) the investment presented an opportunity for long term growth and development, rather than investment in an asset for liquidation or sale;
 - (e) when required, capital contributions would be made by all voting shareholders in proportion to their shareholdings;
 - (f) TW1 would lead day-to-day operations and management of the Corporation; and
 - (g) Miniutti would cease having any active involvement in day-to-day operations or management of the business.

all of which are referred to herein as "**the Reasonable Expectations**".

17. In furtherance of and consistent with these representations and Reasonable Expectations, TW1 and its principals invested significant resources, both financial and otherwise, in Royal Oaks. These investments include not only significant capital contributions, but also thousands of hours of time and expertise to overhaul all aspects of operations, including:
- (a) investment in golf course maintenance and repair;
 - (b) painstaking rebuild of relationships with employees, suppliers, members, sponsors and the community;
 - (c) creation of professional systems to manage finances, budgets, human resources, food and beverage inventory;
 - (d) implementation of a strategy for cost reduction and management of the vendor aged list;
 - (e) introduction of marketing, corporate partnerships and sponsorship initiatives; and

- (f) improvement of golf programming, overall growing of the game of golf in Moncton, and individual and corporate membership offerings.
18. These efforts and investments of TW1 were made in reliance upon the Reasonable Expectations and representations set out herein and have had significant positive results to date. The value and long term viability of Royal Oaks has significantly improved over a short period of time.

Breach of Representations & Reasonable Expectations

19. Beginning in or around 2020 and escalating as of March of 2021, Hrynyk and HR have breached these Reasonable Expectations.
20. HR is unable or unwilling to make capital contributions in proportion to its shareholding in either Royal Oaks or the Ontario Corporation. HR is openly seeking to sell the asset as quickly as possible, rather than making contributions to its growth and development.
21. Since March of 2021, Hrynyk has been using his powers as a director in a manner contrary to the best interests of the Corporation and the Reasonable Expectations of TW1. The particulars of this improper behaviour include:
- (a) attempting to unilaterally recognize conversion of the Miniutti preferred shares to voting common shares, contrary to the share terms contained in the articles of incorporation;
 - (b) attempting to appoint Hrynyk's wife, Jacqueline Boddaert to the board of directors, without authority to do so, to gain majority control of the board to pursue interests of HR as a shareholder;
 - (c) making disparaging and untrue comments about TW1 and its principals to employees, its bank and its professional service providers, which damages the Corporation's reputation and relationship with these individuals and the broader community;
 - (d) refusing to approve the 2020 financial statements without valid basis for doing so, which damages the Corporation's relationship with its principal lender;
 - (e) failing to distinguish between HR's interests as a shareholder and Hrynyk's role as a director at the board level, which prevents the Corporation from making decisions required to move forward with its business, including to address important financial and operational obligations;
 - (f) threatening to freeze and causing the Corporation's bank account to be frozen in an effort to use the financial crisis caused by inability to pay employees and suppliers as leverage in a shareholders' dispute.

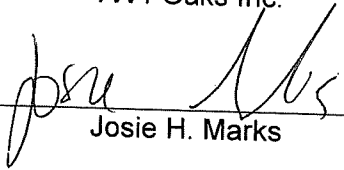
22. As a result of the conduct of HR and Hrynyk, substantial gains made by the Corporation since 2018 have been placed in jeopardy, with damage to the Corporation's reputation, to its relationships with employees, creditors, suppliers and members, and to the value of its shares. Further, the Corporation faces a deadlock in which decisions cannot be made expeditiously or at all, which with the potential for negative short and long term consequences on Royal Oaks.
23. Pursuant to section 166(3) of the *Business Corporations Act* ("**the BCA**"), the Plaintiff seeks the following relief:
- (a) an order removing Hrynyk as a director and officer of the Corporation;
 - (b) an order that all voting shareholders attend a shareholders' meeting to appoint directors to replace Hrynyk and to fill the third (currently vacant) Board seat;
 - (c) an interim and permanent injunction to enjoin Hrynyk from:
 - (i) communicating directly with employees, service providers or sponsors of the Corporation;
 - (ii) freezing the Corporation's bank account;
 - (iii) making public statements or representations to third parties with respect to the Corporation, TW1 or its principals;
 - (iv) negotiating or attempting to negotiate an asset sale of the business on behalf of the Corporation; and
 - (v) taking any steps to effect conversion of the Miniutti preferred shares to voting common shares absent order of the Court;
 - (d) an order requiring HR to "true up" its obligations to TW1 in proportion to its shareholdings, currently being an amount of \$134,041 or, alternatively, diluting HR's shareholding by a proportionate amount with the discount set out in the Shareholders' Agreement for a defaulting shareholder pursuant to section 7.01(1)(e) of the Shareholders' Agreement;
 - (e) damages for costs and expenses incurred to address Hrynyk's oppressive conduct in an amount to be determined;
 - (f) interest, solicitor-and-client costs, and disbursements; and
 - (g) such other or further relief as this honourable Court deems just.
24. The Plaintiff pleads and relies upon the BCA in its entirety and, in particular, sections 79, 97, 166 thereof.

The Plaintiff intends to proceed in the English language.

DATED at Moncton, New Brunswick, this 12th day of May 2021.

STEWART McKELVEY
Solicitors for the Plaintiff,
TW1 Oaks Inc.

Per:



Josie H. Marks

STEWART McKELVEY
Solicitors for the Plaintiffs
Blue Cross Centre
601-644 Main Street
P.O. Box 28051
Moncton, NB E1C 9N4

Tel: (506) 853-1970
Fax: (506) 858-8454
Email: jmarks@stewartmckelvey.com

This is **Exhibit "B"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 3rd day of November,
2024, BEFORE ME:

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes, is written over a horizontal line.

Court File # MC 314 2021

Dossier No.

IN THE COURT OF QUEEN'S BENCH OF
NEW BRUNSWICK

COUR DU BANC DE LA REINE DU
NOUVEAU BRUNSWICK

TRIAL DIVISION

DIVISION DE PROCÈS

JUDICIAL DISTRICT OF MONCTON

CIRCONSCRIPTION JUDICIAIRE DE
SAINT JEAN

BETWEEN: **TW1 OAKS INC.,**

ENTRE:

Plaintiff;
-and-

Demandeur,

-et-

**RONALD HRYNYK and
HR CORPORATE
STRATEGIES INC.**

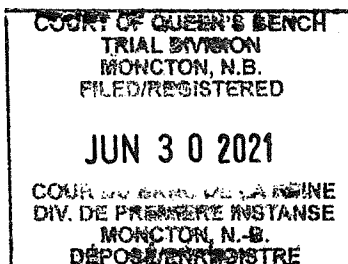
Defendants;
-and-

Défendeurs,

-et-

**ESMOND CLOUTHIER,
STEPHEN LUNN and
TWELVE12
INVESTMENTS AND
CONSULTANCY INC.**

Parties Added by
Counterclaim.



Partie ajoutée par
reconvention

NOTICE OF COUNTERCLAIM
(Form 27C-2)

**AVIS DE DEMANDE
RECONVENTIONNELLE**
(Formule 27C-2)

To: **ESMOND CLOUTHIER**
167 Brule Trail
King, Ontario L7B 0C7

Destinataire:

And: **STEPHEN LUNN**
PO Box # 42369
Abu Dhabi, United Arab Emirates

And: **TWELVE12 INVESTMENTS
AND CONSULTANCY INC.**
167 Brule Trail
King, Ontario L7B 0C7

THE DEFENDANTS IN THIS ACTION
HAVE FILED THE WITHIN COUNTER-
CLAIM AGAINST THE PLAINTIFF AND
YOU;

If you wish to defend the Counterclaim, either
you or a New Brunswick lawyer acting on your
behalf must prepare your Defence to
Counterclaim in the form prescribed by the
Rules of Court and

- (a) serve it on the Defendants or their
lawyer at the address shown herein, and
- (b) with proof of such service, file it in this
Court office WITHIN 20 DAYS after service
on you of the Statement of Claim and this
Statement of Defence and Counterclaim.

If you fail to do so, you may be deemed to have
admitted the counterclaim and, without further
notice to you, JUDGMENT MAY BE GIVEN
AGAINST YOU IN YOUR ABSENCE.

You are advised that:

- (a) you are entitled to issue documents and
present evidence in the proceeding in English
or French or both;
- (b) the Plaintiff intends to proceed in the
English language and the Defendants intend to
proceed in the English language;

LE DÉFENDEUR DANS CETTE ACTION A
DÉPOSÉ LA DEMANDE RECONVEN-
TIONNELLE CI-INCLUSE CONTRE LE
DEMANDEUR ET VOUS-MÊME;

Si vous désirez présenter une défense à la
demande reconventionnelle, vous-même ou un
avocat du Nouveau-Brunswick chargé de vous
représenter devrez rédiger votre défense
reconventionnelle en la forme prescrite par les
Règles de procédure, puis

- (a) la signifier au défendeur ou à son
avocat à l'adresse ci-indiquée et
- (b) la déposer au greffe de cette Cour avec
une prevue de sa signification DANS LES 20
JOURS de la signification qui vous sera faite
de l'exposé de la demande et du présent exposé
de la défense et demande reconventionnelle;

Si vous omettez de le faire, vous pourrez être
réputé avoir admis la demande
reconventionnelle et, sans autre avis,
JUGEMENT POURRA ÊTRE RENDU
CONTRE VOUS EN VOTRE ABSENCE.

Sachez que:

- (a) vous avez le droit dans la présente
instance, d'émettre des documents et de
présenter votre prevue en français, en anglais
ou dans les deux langues;
- (b) le demandeur a l'intention d'utiliser la
langue ____ et le défendeur, la langue ____;

(c) you must indicate in your Defence to Counterclaim the language in which you intend to proceed; and

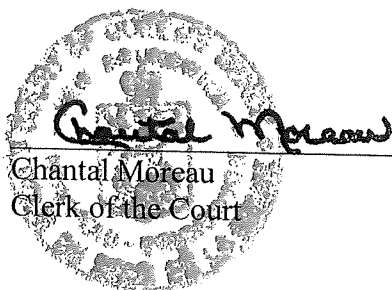
(d) if you require the services of an interpreter at the trial you must advise the Clerk at least 7 days before the trial.

(c) vous devez indiquer dans votre défense reconventionnelle la langue que vous avez l'intention d'utiliser; et

(d) si vous avez besoin des services d'un interprète au procès, vous devrez en aviser le greffier au moins 7 jours avant le procès.

THIS NOTICE is signed and sealed for the Court of Queen's Bench by Chantal Moreau, Clerk of the Court at Moncton, New Brunswick, on the 30th day of June, 2021.

CET AVIS est signé et scellé au nom de la Cour du Banc de la Reine par greffier de la Cour à _____ ce _____ jour de _____, 20__.



Court Seal

Greffier

Sceau de la Cour

Court of Queen's Bench of New Brunswick
Trial Division
145 Assumption Blvd.
Moncton NB E1C 0R2
Tel (506) 856-2307

Cour du Banc de la Reine du Nouveau-Brunswick
145 boul. Assomption
Moncton N.B. E1C 0R2
Tel (506) 856-2307

STATEMENT OF DEFENCE

1. The Defendants, Ronald Hrynyk and HR Corporate Strategies Ltd. (respectively and individually “**Hrynyk**” and “**HR**” and collectively the “Defendants”) admit the statements of fact contained in paragraphs 1, 3, 4, 5, 7, 9, 10, 11 and 13 of the Plaintiff’s Statement of Claim dated May 12, 2021.
2. The Defendants admit the statements of fact contained in paragraph 2 of the Statement of Claim, save and except to clarify that the proper name of the corporate Defendant is “HR Corporate Strategies Ltd.” and not “HR Corporate Strategies Inc.”.
3. The Defendants also admit the statements of fact contained in paragraph 12 of the Statement of Claim, save and except to clarify that the proper name of “2246329 Ontario Inc.” is “2246329 Ontario Limited”, and the vacant development land held by 2246329 Ontario Limited is adjacent to the golf course property owned by Royal Oaks Golf Club Inc. (hereinafter “**ROGC**” or the “**Corporation**”), which is doing business as the “Royal Oaks Golf Club”.
4. The Defendants have no knowledge of the allegations made in paragraph 15 of the Statement of Claim and put the Plaintiff to the strict proof thereof.
5. The Defendants deny the allegations made in paragraphs 6, 8, 14, 16, 17, 18, 19, 20, 21 and 22 of the Statement of Claim, and all other allegations made in the Statement of Claim, except to the extent expressly hereinafter admitted.

6. As to the entirety of the Plaintiff's Statement of Claim, the Defendants say, and the facts are, as follows:

- (a) The Defendant, Hrynyk, is the sole director and sole shareholder of HR, and is commonly referred to as "Ron";
- (b) Hrynyk's wife is Jacqueline Boddaert who is commonly referred to as "Jacquie";
- (c) Esmond Clouthier and his wife, Nicole Clouthier (individually and respectively "**Esmond**" and "**Nicole**" and collectively the "**Clouthiers**") are the only directors and shareholders of the Plaintiff, TW1 Oaks Inc. (hereinafter "**TW1**");
- (d) HR and TW1 are voting shareholders of ROGC and until recent events, as hereinafter described, they were the only directors and officers of ROGC;
- (e) ROGC operates the Royal Oaks Golf Club from lands and facilities (the "**Golf Club Property**") situate in the City of Moncton, New Brunswick;
- (f) ROGC has mortgaged the Golf Club Property to CWB Maxium Financial Inc. ("**Maxium**") which indebtedness is in part personally guaranteed (the "**Guarantee**") by Hrynyk;
- (g) In or about October, 2016, Hrynyk and HR became aware that the Clouthiers were interested in a business opportunity which led, over

the following ten (10) months, to them investing in ROGC and 2264329 Ontario Limited through the Plaintiff, TW1;

- (h) Prior to this investment by the Clouthiers, ROGC was wholly owned by Sunset CRE Investments I LLP ("**Sunset**") which, in turn, was owned equally by Hrynyk and Patrick Miniutti ("**Miniutti**");
- (i) From January 2018, Esmond and Nicole, through a related entity, Twelve12 Investments and Consultancy Inc. ("**Twelve12**"), were responsible for the day to day operations management of ROGC pursuant to a management consultancy agreement (the "**Twelve12 Agreement**") in a co-management arrangement with Miniutti, but this arrangement terminated in July 2018, when Miniutti stepped back from operational issues at ROGC;
- (j) Despite the termination of this management arrangement, day to day operations management of ROGC was continued by Nicole and Esmond and the employed staff of ROGC pursuant to the Twelve12 Agreement;
- (k) Several other agreements were executed and delivered during 2017, 2018 and 2019, including a ROGC shareholders agreement (the "**Shareholders Agreement**"), a share purchase agreement (the "**SPA**"), and a share purchase amendment agreement (the "**SPAA**"), which were made concurrently and as collateral contracts during a significant re-organization of ROGC effective as of March 29, 2019 (the "**Re-organization**");

- (l) The Shareholders Agreement entered into by TW1, HR, and ROGC, provided, *inter alia*, for the following:
 - i) that HR and TW1 vote their shares in ROGC to elect Esmond and Hrynyk as the only directors to manage the affairs of the Corporation by unanimous decision;
 - ii) that Esmond was to be designated as the President of ROGC and Hrynyk as the Secretary-Treasurer; and
 - iii) that Esmond and Hrynyk, signing together, were to execute “all banking instruments”;
- (m) The SPA, entered into by ROGC, a new shareholder Stephen Lunn (“**Lunn**”), HR and TW1, provided, *inter alia*, for:
 - i) the acquisition, by Lunn of 125,667 non-voting common shares (the “**Lunn Shares**”) in ROGC;
 - ii) the option for Lunn (the “**Put Option**”) to put the Lunn Shares, at a predetermined price and within a predetermined time frame, to ROGC, TW1 and to “Jacquie and Ron”; and
 - iii) the option to convert the Lunn Shares to common shares with voting rights, provided reasonable prior notice to cancel the Put Option was delivered by Lunn;
- (n) The SPAA, entered into between ROGC, TW1, HR, Patrick and Aline Miniutti (the “**Miniuttis**”), and Sunset, a former shareholder:
 - i) caused ROGC to issue 100,000 non-voting class C preferred shares (the “**Miniutti Preferred Shares**”) to Patrick and Aline Miniutti (the “**Miniuttis**”);

- ii) entitled the Miniuttis a right to convert (the “**Conversion Right**”) the Miniutti Preferred Shares into voting common shares of ROGC pursuant to ROGC’s constating documents, and in accordance with the provisions of the SPAA; and
- iii) granted to HR, TW1, and ROGC collectively the right (the “**Call Option**”) to call and purchase the Miniutti Preferred Shares, in the event the Miniuttis did not convert them in accordance with their Conversion Right;
- o) In 2018, 2019, and 2020, during the continuance of day to day operations management of ROGC by Twelve12 and others, ROGC recorded an increasingly negative financial performance, accumulating aggregate operating deficits approaching one million (\$1,000,000.00) dollars; ROGC was also required to enter into a forbearance agreement with Maxium due to its failure to perform loan covenants;
- p) In early March, 2021, Hrynyk received a draft of ROGC’s 2020 financial statements from Nicole and Esmond, which omitted disclosure of a large payable owing for the years 2018, 2019 and 2020, and created deceptively false impressions for Maxium;
- q) As a result, Hrynyk proceeded with a secondary review of the 2020 financial statements, including certain non-arms length transactions and payments to TW1, Esmond, Nicole, and Twelve12;
- r) Hrynyk sought disclosure of information and documentation from Esmond, Nicole and ROGC’s external accountants to substantiate the entries on the financial statements;

- s) After several failed attempts to obtain the banking documentation, Hrynyk, in his capacity as a director and officer of ROGC, requested the information directly from representatives of the Toronto Dominion Bank (the “TD”), and the TD provided several certified copies of banking resolutions that had been lodged with it for the operation of ROGC’s bank account;
- t) To Hrynyk’s dismay, three of those certified copies (the “**Impugned Resolutions**”) purported to have been passed by the board of directors of ROGC subsequent in time to the execution of the Shareholders Agreement requiring all banking documentation to be signed by Esmond and by him;
- u) None of the Impugned Resolutions were authorized by Hrynyk but each was certified by Esmond and Nicole to be a “true copy of a resolution duly passed by the board of directors of the Corporation... now in full force and effect and unamended”;
- v) In contravention of the Shareholders Agreement, none of the Impugned Resolutions had Hrynyk listed as a signing officer;
- w) None of the three Impugned Resolutions were ever adopted by the directors of ROGC, but were deceptively delivered to the TD and falsely represented to the TD to be true;
- x) After numerous failed efforts by Hrynyk to obtain rectification of such matters and Esmond’s future compliance with the provisions of the Shareholders Agreement, Hrynyk advised Esmond that he

would be obliged to contact the TD and restrict any further unauthorized access to the bank account, pending a proper resolution of the ROGC signing authorities;

- y) Upon realizing the reality of the situation, the TD placed a hold on the bank account pending the filing of properly authorized banking resolutions;
- z) Subsequently, the Plaintiff initiated these proceedings in this Court; after consensual banking arrangements were agreed to, a Consent Order (the “**Consent Order**”) was issued by this Court enabling the continued operation of ROGC’s bank account at the TD, subject however to agreed limitations and restrictions;
- aa) In the result, the Consent Order:
 - i) removed Nicole as a signing officer;
 - ii) facilitated ordinary operating expense payments;
 - iii) mandated that all expenditures in excess of \$20,000.00 be approved by the two directors, Hrynyk and Esmond;
- bb) On March 19, 2021, the Miniuttis gave notice to ROGC, Esmond, and Hrynyk (the “**Conversion Notice**”) of their desire to exercise their Conversion Right in respect of the Miniutti Preferred Shares;
- cc) The Conversion Notice provided by the Miniuttis was accompanied, as required, by an attornment to the Shareholders Agreement and further advised of the Miniuttis’ appointment of

Jacque as a director of ROGC, pursuant to the Miniutti's right to appoint a director to the board of directors of ROGC;

- dd) Notwithstanding receipt of the Conversion Notice by ROGC, TW1 immediately purported, by notice to the Miniuttis (the "**Call Notice**"), to purchase for its own behalf the Miniutti Preferred Shares, ostensibly pursuant to the SPAA;
- ee) Concurrently with delivery of the Call Notice, TW1 unlawfully and without authority from ROGC or from its directors or other shareholder, HR, advised the Miniuttis that the Conversion Notice was allegedly not effective, contending that it supposedly lacked "reasonable notice", and that it required a prior attornment to the Shareholders Agreement;
- ff) At a board of directors meeting of ROGC, duly called and held on April 26, 2016, approval was given by ROGC for the conversion of the Miniutti Preferred Shares in accordance with the Conversion Notice, and despite the Call Notice delivered by TW1; Esmond's conflict of interest as a director was raised as a *bona fides* issue disqualifying him from voting;
- gg) The shares to which the Miniuttis were entitled pursuant to the Conversion Notice given by them, although duly approved for issuance, were not thereafter issued and delivered by ROGC;
- hh) Instead, at a meeting (the "**Impugned Shareholders' Meeting**") called by TW1 and conducted outside of the Province of New

Brunswick in violation of section 84(1) of the *Business Corporations Act* S.NB. 1981, c. B-9.1 (the “**BCA**”) by telephone conference on June 2, 2021, TW1 purported to hold a shareholders meeting in the absence of HR’s proxy and the Miniuttis;

- ii) At the Impugned Shareholders’ Meeting, Lunn, purporting to have voting rights even though such rights did not accrue to Lunn pursuant to the Put Option, and TW1, represented by Esmond, unlawfully purported to adopt a resolution appointing Lunn as a director of ROGC;
- jj) Approximately one week later, on June 10, 2021, Esmond purported to hold a directors’ meeting of ROGC (the “**Impugned Directors’ Meeting**”), although objected to in writing by Hrynyk, and at that meeting Esmond and Lunn colluded to effect:
 - i) the removal of Hrynyk as Secretary-Treasurer;
 - ii) the replacement of Hrynyk with Nicole as Secretary-Treasurer;
 - iii) the approval of ROGC’s 2020 false and deceptive financial statements for presentation to Maxium; and
 - iv) an amendment to the signing authorities at the TD;

all in violation of rules of governance, the BCA, the Shareholders Agreement, and the Consent Order.

7. As a result of the foregoing wrongful acts, omissions, breaches of contract, violation of statutory authority, and breach of fiduciary duty, the

Plaintiff, TW1, and its principal, Esmond, acted in contempt of the Consent Order and contrary to the Defendants' Reasonable Expectations (as defined hereinafter).

8. The Defendants expressly deny the claim in the Plaintiff's Statement of Claim to the effect that it has been adversely affected by the matters complained of. In the alternative, the Defendants say that if TW1 has been affected (which is denied), TW1 and its principal come before this Court with 'unclean hands' and are disentitled to equitable or statutory oppression remedies.

9. The Defendants admit the statements of fact contained in paragraph 8(a), (b) and (c) of the Plaintiff's Statement of Claim, subject to the foregoing, but deny the inference contained in paragraph 8(d) to the effect that the Miniuttis are not the holders of common shares pursuant to the Conversion Notice duly given and accepted by ROGC.

10. The Defendants admit the statements of fact contained in paragraphs 16(a), (b), (c), and (d) of the Statement of Claim, subject to the foregoing, but deny the allegations contained in paragraphs 16(e), (f) and (g) thereof with respect to the requirements of the Shareholders Agreement, the role of TW1 in the management of ROGC, and the entitlement of the Miniuttis to participate.

11. As to paragraph 8(d) of the Statement of Claim, the Defendants state and the fact is that the Miniutti Preferred Shares have been lawfully converted into 100,000 voting common shares in the capital of ROGC, validly held by the Miniuttis, and that ROGC is required by law to issue a certificate accordingly.

12. As to paragraph 14 of the Statement of Claim, the Defendants acknowledge that they originally introduced TW1 to the business opportunity of

participating in the ownership of ROGC, however all subsequent discussions with and decisions of TW1, Esmond, Nicole or Twelve12, were agreed upon without improper inducement or representation of any kind by the Defendants.

13. As to paragraph 16(e) of the Statement of Claim, the Defendants say that there was no discussion in 2018 about any capital contributions to be made by shareholders to ROGC, and when it was subsequently discussed, a mechanism was agreed upon and incorporated in the Shareholders Agreement that speaks for itself.

14. As to paragraphs 16(f) and (g) of the Statement of Claim, the Defendants say that the day to day operations of ROGC were to be co-managed by Twelve12 and Miniutti pursuant to the Twelve12 Agreement and a similar agreement with Miniutti which terminated in July, 2018, since which time any management by Esmond and Nicole or by Twelve12 has been at the will and pleasure of the directors; at no time did Hrynyk relinquish his authority or responsibility as a director of ROGC during the existence of the Twelve12 Agreement.

15. As to paragraph 17 of the Statement of Claim, the Defendants repeat that any management activities carried out by Twelve12, Esmond or Nicole, were conducted pursuant to the terms of the Twelve12 Agreement, and not by TW1; the Defendants have sought and will continue to seek documentation from ROGC and TW1 to validate and reconcile any capital contributions by TW1 to ROGC in excess of the contributions made to ROGC by HR, and to account for any non-arms length payments by ROGC.

16. As to paragraph 18 of the Statement of Claim, the Defendants again repeat that the referenced efforts at management of day to day operations of ROGC were made by Twelve12, not by TW1, and were made pursuant to the Twelve12

Agreement, not in reliance upon any alleged expectations or representations; as the financial statements of ROGC, when properly constituted, will further demonstrate, the management efforts and investments that TW1 or Twelve12 have made or expended towards ROGC have had a negative financial impact upon the Corporation's undertaking.

17. As to paragraph 20 of the Statement of Claim, while it is acknowledged that HR has been unwilling to make additional capital contributions in the absence of suitable disclosures and proper financial accounting, Hrynyk, with the full knowledge and support of TW1, has been openly seeking funding and support from third parties.

18. As to paragraph 21(a) of the Statement of Claim, Hrynyk says that an appropriate recognition of the Conversion Notice for the Miniutti Preferred Shares was made by him in the exercise of his fiduciary duties and in his capacity as a director of ROGC, at all times in keeping with the legal obligations of ROGC.

19. As to paragraph 21(b) of the Statement of Claim, Hrynyk says that, to the best of his knowledge, any desire by the Miniuttis to have Jacquie appointed as a director of ROGC was taken in good faith in accordance with the provisions of the Shareholders Agreement, and the SPAA, and was not in violation of any reasonable expectations of the parties or of ROGC's constating documents.

20. As to paragraph 21(c) of the Statement of Claim, Hrynyk says that any statements at any time made by him to employees of ROGC, its bank, or its professional service providers, were at all times true when made, and continue to be true.

21. As to paragraph 21(d) of the Statement of Claim, Hrynyk repeats that he had and continues to have a valid basis for refusing as a director to approve deceptively inaccurate and misleading financial statements of ROGC, knowing that they are intended to be represented to and to be relied upon by Maxium in support of credit arrangements for ROGC.

22. As to paragraph 21(e) of the Statement of Claim, HR and Hrynyk say that they have, at all times, respected and will continue to respect their distinct roles and responsibilities as a shareholder and director respectively of ROGC.

23. As to paragraph 21(f) of the Statement of Claim, the Defendants repeat that any discussion regarding ROGC's bank account at TD was undertaken pursuant to the provisions of the Shareholders Agreement, for the reasons stipulated; any decision of ROGC's bank, the TD, to restrict Esmond and Nicole from acting without lawful authority, was that of the TD, and was ultimately affirmed by the Consent Order.

24. As to paragraph 22 of the Statement of Claim, the Defendants repeat that ROGC has suffered extensive financial losses and experienced negative performance since the involvement of TW1 and its principals in the management and operations of ROGC through Twelve12, a fact which will be confirmed by the Corporation's financial statements, and by the evidence adduced in this proceeding.

25. The Defendants deny that the Plaintiff, TW1, is entitled to all or any of the relief sought by paragraph 23 of the Statement of Claim, or that it is entitled to any of the oppression remedies recited therein.

26. The Defendants further assert that if the Plaintiff TW1 has been adversely affected (which is denied) by any actions or omissions other than its own, it has by its own negligence caused or contributed to such damages, or has mitigated any losses it may have suffered.

27. The Defendants respectfully request that the Plaintiff's action be dismissed by this Court with costs on a solicitor-client basis.

COUNTERCLAIM

28. The Defendants by this Counterclaim repeat and rely upon the facts pleaded in paragraphs 1 through 27 of the Statement of Defence as if set forth fully herein.

29. The Defendants counterclaim against the Plaintiff TW1, and against Esmond, Twelve12, and Lunn as Parties Added by Counterclaim.

30. Esmond resides at 67 Brule Trail, King, Ontario.

31. Lunn resides in Abu Dhabi, in the United Arab Emirates.

32. Twelve12 is a corporation incorporated pursuant to the laws of the Province of Ontario with its registered office at 167 Brule Trail, King, Ontario.

33. The Defendants, HR and Hrynyk, assert that at the time of the Re-organization of ROGC and at all material times thereafter it was their reasonable expectation that:

- (a) Esmond would act in compliance with his obligatory statutory duty of care as a director as set forth in section 79 of the BCA;
- (b) Esmond would not use his power as a director, or conspire with Lunn, to advance his own personal interests or those of TW1 as a shareholder that conflicted with those of ROGC;
- (c) TW1, with Esmond's direction as its principal, and Lunn, would comply with all of the provisions of the Shareholders Agreement, the SPA and the SPAA;
- (d) Esmond, Lunn and TW1 would comply with the provisions of the BCA, the Articles of ROGC, and rules of corporate governance;
- (e) Esmond and TW1 would provide all financial information pertaining to ROGC to the Defendants as requested and as required by section 18 of the BCA;
- (f) Hrynyk and HR would not be excluded by Twelve12, Esmond, Lunn, or TW1 from decision making;
- (g) Esmond, Lunn and TW1 would fully disclose to Hrynyk and HR any non-arms' length transactions; and
- (h) TW1, with Esmond's direction as its principal, would comply with the provisions of the Consent Order;

all of which are referred to hereinafter as the “**Defendants’ Reasonable Expectations**”.

34. The Defendants state that TW1, Twelve12, Esmond, Lunn, or some one of more of them acting together, have violated the Defendants’ Reasonable Expectations by:

- i) knowingly presenting or allowing to be presented for approval deceptively false and misleading 2020 financial statements for ROGC and for Maxium to sustain credit;
- ii) providing deceptively false and misleading banking resolutions to the TD, for the operation of ROGC’s bank account,;
- iii) wrongfully interfering with the Miniuttis’ Conversion Right in violation of the duty to act honestly and in good faith;
- iv) wrongfully purporting to exercise the Call Option for their own personal enrichment;
- v) wrongfully holding and purporting to adopt resolutions at the Impugned Shareholders’ Meeting in violation of section 84(1) of the BCA;
- vi) wrongfully holding and purporting to adopt resolutions at the Impugned Directors’ Meeting, including one to remove Hrynyk as the Secretary-Treasurer of ROGC, and replace him with Nicole;

- vii) wrongfully changing the signing authorities at the TD in conflict with and in contempt of the Consent Order; and
- viii) by such further or other improper acts or omissions as may be disclosed by the evidence in this proceeding.

35. The Defendants claim that they have been adversely affected by the oppressive, unfairly prejudicial, and wanton disregard of their interests by Esmond, Lunn, and TW1, or some one or more of them acting together, in violation of the Defendants' Reasonable Expectations. The Defendant Hrynyk has also suffered financial damages and continues to be in financial jeopardy from this oppressive behavior by virtue of his financial exposure under his Guarantee of certain obligations of ROGC to Maxium.

36. The Defendants plead and rely upon sections 18, 79, 84(1), 155, 156, 163, 164 and 166 of the BCA, and other sections of the BCA *in pari materia*.

37. The Defendants accordingly claim by this Counterclaim the following relief, jointly and severally as against Twelve12, TW1, Esmond, and Lunn:

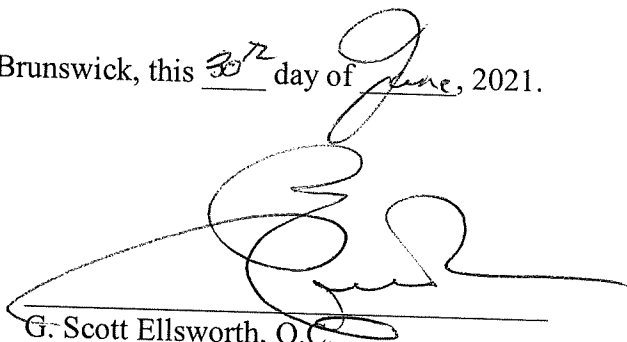
- (a) an Order enforcing the provisions of the Shareholders Agreement and rectifying the directors and officers registers of ROGC by reappointing Hrynyk as the Secretary-Treasurer and removing Nicole from that position;

- (b) an Order directing an investigation under Part XIV of the BCA, and pursuant to section 166(3)(m) of the BCA, which would entail the following relief:
- i) the appointment of an inspector of ROGC;
 - ii) authorizing the inspector to investigate ROGC for the purposes of verifying and reconciling entries in the financial statements of ROGC;
 - iii) authorizing the inspector to reconcile and provide an accounting of the shareholder loan accounts of its shareholders, all payments to Twelve12, or other non-arms length expenditures;
 - iv) authorizing an inspector to enter any premises where the books and records of ROGC are kept, and to examine anything and make copies of any document or record found on the premises;
 - v) requiring Esmond and any other person to produce any and all documents or records to an inspector as may be requested;
 - vi) requiring an inspector to make an interim and final report to the Court;
- (c) in the alternative to the relief claimed in subparagraph (b), an Order for the reconciliation and accounting of the shareholder loans of the shareholders of ROGC, the payments to Twelve12, Esmond or Nicole, and a verification and reconciliation of the entries in the financial statements of ROGC, all by an external accountant appointed pursuant to rules 56 or 57 of the New Brunswick Rules of Court;

- (d) an Order setting aside the Call Notice and disgorging any benefits improperly attained by TW1 or Esmond as a result of their attempt to convert the Miniutti Preferred Shares for their own benefit;
- (e) a Declaration that the Impugned Shareholders' Meeting was not properly held, that all resolutions adopted thereat are void, and that Lunn was not properly appointed as a director of ROGC;
- (f) a Declaration that the Lunn Shares are non-voting;
- (g) an Order removing Lunn as a director and officer of ROGC, and facilitating the appointment of a director by the Miniuttis pursuant to the Conversion Right under the SPAA;
- (h) a Declaration that the Impugned Directors' Meeting was not properly held, and that all resolutions adopted thereat by Esmond and Lunn are void;
- (i) an Order compelling compliance with the Shareholders Agreement, and the Consent Order, in respect of Hrynyk's signing authority as a director;
- (j) an Order rescinding the Twelve12 Agreement;
- (k) an Order suspending Esmond's appointment as a director and officer of ROGC pending the foregoing investigations;

- (l) damages as against Lunn and Esmond for conspiring to defeat the Defendants' Reasonable Expectations;
- (m) in the alternative to the relief requested in subparagraphs (b) and (c), an Order appointing a receiver of ROGC for purposes of determining and making a recommendation to this Court as to whether ROGC should be liquidated;
- (n) full indemnity from TW1, Esmond, and Lunn, for any loss suffered by Hrynyk on his Guarantee to Maxium;
- (o) costs on a solicitor-client basis; and
- (p) such further and other relief as this Honourable Court deems just.

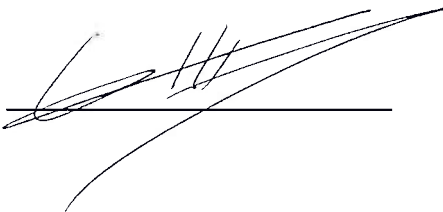
DATED at Moncton, New Brunswick, this 30th day of June, 2021.



G. Scott Ellsworth, Q.C.
Ellsworth Johnson & Partners
Solicitor for the Defendants

G. Scott Ellsworth, Q.C.
Ellsworth Johnson & Partners
828 Main Street
PO Box 626
Moncton NB E1C 8M7
Tel (506) 857-8228
Fax (506) 589-4219
Email: sellsworth@ejp.ca
Solicitor for the Defendants

This is **Exhibit "C"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 28th day of November,
2024, BEFORE ME:

A handwritten signature in black ink, appearing to be 'R. Hrynyk', is written over a solid horizontal line. The signature is stylized with long, sweeping strokes.

Court File No: MC-314-2021

Numéro de cause: MC 314-2021IN THE COURT OF QUEEN'S BENCH OF
NEW BRUNSWICKCOUR DU BANC DE LA REINE DU
NOUVEAU-BRUNSWICK

TRIAL DIVISION

DIVISION DE PREMIÈRE INSTANCE

JUDICIAL DISTRICT OF MONCTON

CIRCONSCRIPTION JUDICIAIRE DE
MONCTON

BETWEEN:

ENTRE:

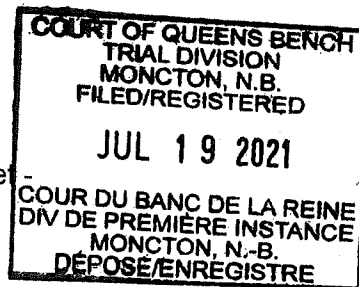
TW1 OAKS INC.,

Plaintiff,

- and -

RONALD HRYNYK and HR CORPORATE
STRATEGIES LTD.

Defendants.



Demandeur

Défendeur

**AMENDED NOTICE OF ACTION WITH
AMENDED
STATEMENT OF CLAIM ATTACHED
(FORM 16A)****AVIS DE POURSUITE ACCOMPAGNÉ
D'UN EXPOSÉ DE LA DEMANDE
(FORMULE 16A)**To: Ronald Hrynyk
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3

DESTINATAIRE:

And to: HR Corporate Strategies Ltd.
c/o Ronald Hrynyk
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3LEGAL PROCEEDINGS HAVE
BEEN COMMENCED AGAINST YOU BY
FILING THIS NOTICE OF ACTION WITH
STATEMENT OF CLAIM ATTACHED.PAR LE DÉPÔT DU PRÉSENT
AVIS DE POURSUITE ACCOMPAGNÉ
D'UN EXPOSÉ DE LA DEMANDE, UNE
POURSUIITE JUDICIAIRE A ÉTÉ
ENGAGÉE CONTRE VOUS.If you wish to defend these
proceedings, either you or a New Brunswick
lawyer acting on your behalf must prepare
your Statement of Defence in the form
prescribed by the *Rules of Court* and serve
it on the Plaintiff or the Plaintiff's lawyer at
the address shown below and, with proof ofSi vous désirez présenter une
défense dans cette instance, vous-même
ou un avocat du Nouveau-Brunswick
chargé de vous représenter devrez rédiger
un exposé de votre défense en la forme
prescrite par les Règles de procédure, le
signifier au demandeur ou à son avocat à

such service, file it in this Court Office together with the filing fee of \$50.

l'adresse indiquée ci-dessous et le déposer au greffe de cette Cour avec un droit de dépôt de \$50 et une preuve de sa signification:

- (a) if you are served in New Brunswick, WITHIN 20 DAYS after service on you of this Notice of Action with Statement of Claim Attached, or
- (b) if you are served elsewhere in Canada or in the United States of America, WITHIN 40 DAYS after such service, or
- (c) if you are served anywhere else, WITHIN 60 DAYS after such service.

- (a) DANS LES 20 JOURS de la signification qui vous sera faite du présent avis de poursuite accompagné d'un exposé de la demande, si elle vous est faite au Nouveau-Brunswick ou
- (b) DANS LES 40 JOURS de la signification, si elle vous est faite dans une autre région du Canada ou dans les États-Unis d'Amérique ou
- (c) DANS LES 60 JOURS de la signification, si elle vous est faite ailleurs.

If you fail to do so, you may be deemed to have admitted any claim made against you, and without further notice to you, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE.

Si vous omettez de le faire, vous pourrez être réputé avoir admis toute demande formulée contre vous et, sans autre avis, JUGEMENT POURRA ÊTRE RENDU CONTRE VOUS EN VOTRE ABSENCE.

You are advised that:

Sachez que:

- (a) you are entitled to issue documents and present evidence in the proceeding in English or French or both;
- (b) the Plaintiff intends to proceed in the English language; and
- (c) your Statement of Defence must indicate the language in which you intend to proceed.

- (a) vous avez le droit dans la présente instance, d'émettre des documents et de présenter votre preuve en français, en anglais ou dans les deux langues;
- (b) le Demandeur a l'intention d'utiliser la langue anglais; et
- (c) l'exposé de votre défense doit indiquer la langue que vous avez l'intention d'utiliser.

If you pay to the Plaintiff or the Plaintiff's lawyer the amount of the Plaintiff's claim, together with the sum of \$100 for the Plaintiff's costs, within the time you are required to serve and file your Statement of Defence, further proceedings will be stayed or you may apply to the court to have the action dismissed.

Si, dans le délai accordé pour la signification et le dépôt de l'exposé de votre défense, vous payez au demandeur ou à son avocat le montant qu'il réclame, plus \$100 pour couvrir ses frais, il y aura suspension de l'instance ou vous pourrez demander à la cour de rejeter l'action.

THIS NOTICE is signed and sealed
for the Court of Queen's Bench by Chantal
Morneau, Clerk of the Court at Moncton,
New Brunswick, on the 19th day of July
2021.

CET AVIS est signé et scellé au
nom de la Cour du Banc de la Reine par
_____, greffière de la Cour à
_____, ce _____ jour de juillet 2021.



Chantal Morneau, Clerk

Address:

Court of Queen's Bench of New Brunswick,
Moncton Law Courts
145 Assomption Blvd.
Moncton, NB E1C 0R2

Adresse:

AMENDED STATEMENT OF CLAIM

1. The Plaintiff, TW1 Oaks Inc. ("**TW1**") is a corporation incorporated pursuant to the laws of the Province of Ontario with a registered office at 167 Brule Trail, King, Ontario.
2. The Defendant, HR Corporate Strategies Inc. ~~Inc.~~ Ltd. ("**HR**") is a corporation incorporated pursuant to the laws of the Province of Ontario with a registered office at 2495 Lloydtown Aurora Side Road, King, Ontario.
3. TW1 and HR are the voting shareholders of the Royal Oaks Golf Club Inc. ("**Royal Oaks**" or "**the Corporation**"), a New Brunswick corporation that owns and operates the Royal Oaks Golf Club in Moncton, New Brunswick.
4. The Defendant, Ronald Hrynyk ("**Hrynyk**") resides at 2495 Lloydtown Aurora Side Road in King City, Ontario. Hrynyk is a director and officer of Royal Oaks and a shareholder, director and officer of HR.

Shareholders and Directors of Royal Oaks

5. TW1 became a shareholder of Royal Oaks in January of 2018.
6. At that time, its only other shareholder was a limited liability partnership, Sunset CRE Investments I LPP, organised under the laws of British Columbia, and whose sole members were Hrynyk (50%) and Patrick Miniutti ("**Miniutti**") (50%). TW1 purchased one third of the shares in the Corporation and acquired a proportionate share of its existing debt.
7. In March of 2019, a corporate reorganization agreed to by all shareholders provided TW1 with a majority of the voting shares of the Corporation; removed Miniutti from the exercise of any voting rights or involvement in business operations; and added a new investor, Walter Stephen Lunn ("**Lunn**") who provided capital in exchange for non-voting common shares with a put option.
8. The shareholdings of the Corporation from March 29, 2019 and to the present date are as follows:
 - (a) TW1: 218,000 voting common shares;
 - (b) HR: 159,000 voting common shares;
 - (c) Lunn: 125,677 non-voting common shares; and

- (d) Miniutti: 100,000 non-voting class "C" preferred shares.
9. HR and TW1, as voting shareholders, are parties to a Shareholders' Agreement dated March 29, 2019 ("**the Shareholders' Agreement**").
 10. Section 3 of the Shareholders' Agreement states that the Board of Directors of the Corporation shall be composed of three (3) directors. It further confirms the appointment of Esmond Clouthier ("**Clouthier**"), who is a principal of TW1, and Hrynyk as the initial directors to manage the affairs by unanimous decision until appointment of a third director.
 11. As of the present date, Clouthier (President) and Hrynyk (Secretary-Treasurer) are the only directors of the Corporation.

Shareholders and Directors of the Ontario Corporation

12. 2246329 Ontario Inc. ("**the Ontario Corporation**") is an Ontario corporation that owns vacant land for development at 195 Royal Oaks Boulevard in Moncton, New Brunswick, which is adjacent to Royal Oaks.
13. The shareholders of the Ontario Corporation are TW1 (54%) and HR (46%). Its directors are Hrynyk (President) and Clouthier (Vice-President).

Representations & Reasonable Expectations

14. Hrynyk induced TW1 to purchase shares in the Ontario Corporation and Royal Oaks and to acquire a significant portion of its existing debt on the representation, among others, that Royal Oaks was a long term investment with the opportunity to grow and develop a golf course that would not only generate investment return over time, but also become a significant source of pride and enjoyment for its owners, members and the community. Although it faced challenges at the time, the golf course itself had tremendous potential, which was further enhanced by the vacant land for development held by the Ontario Corporation.
15. The prospect of a long term development was particularly enticing to TW1. Its principals have significant experience in golf course operations and real property development and identified Royal Oaks as a "passion project" which they and their family could build and develop, with pride, over time.

16. At the time of its initial acquisition of shares in Royal Oaks in 2018 and the 2019 reorganization and execution of the Shareholder's Agreement, it was the reasonable expectation of TW1 that:
- (a) the directors would act honestly and in good faith, with a view to establishing and maintaining a positive reputation for Royal Oaks in the community;
 - (b) the directors would act in compliance with the Corporation's constituting documents, including its articles of incorporation as amended;
 - (c) the directors would act in the best interests of the Corporation at all times and not seek to use their power as directors to advance interests as shareholders that conflict with those of Corporation;
 - (d) the investment presented an opportunity for long term growth and development, rather than investment in an asset for liquidation or sale;
 - (e) when required, capital contributions would be made by all voting shareholders in proportion to their shareholdings;
 - (f) TW1 would lead day-to-day operations and management of the Corporation; and
 - (g) Miniutti would cease having any active involvement in day-to-day operations or management of the business.

all of which are referred to herein as "**the Reasonable Expectations**".

17. In furtherance of and consistent with these representations and Reasonable Expectations, TW1 and its principals invested significant resources, both financial and otherwise, in Royal Oaks. These investments include not only significant capital contributions, but also thousands of hours of time and expertise to overhaul all aspects of operations, including:
- (a) investment in golf course maintenance and repair;
 - (b) painstaking rebuild of relationships with employees, suppliers, members, sponsors and the community;
 - (c) creation of professional systems to manage finances, budgets, human resources, food and beverage inventory;
 - (d) implementation of a strategy for cost reduction and management of the vendor aged list;
 - (e) introduction of marketing, corporate partnerships and sponsorship initiatives; and

- (f) improvement of golf programming, overall growing of the game of golf in Moncton, and individual and corporate membership offerings.
18. These efforts and investments of TW1 were made in reliance upon the Reasonable Expectations and representations set out herein and have had significant positive results to date. The value and long term viability of Royal Oaks has significantly improved over a short period of time.

Breach of Representations & Reasonable Expectations

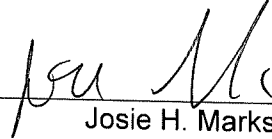
19. Beginning in or around 2020 and escalating as of March of 2021, Hrynyk and HR have breached these Reasonable Expectations.
20. HR is unable or unwilling to make capital contributions in proportion to its shareholding in either Royal Oaks or the Ontario Corporation. HR is openly seeking to sell the asset as quickly as possible, rather than making contributions to its growth and development.
21. Since March of 2021, Hrynyk has been using his powers as a director in a manner contrary to the best interests of the Corporation and the Reasonable Expectations of TW1. The particulars of this improper behaviour include:
- (a) attempting to unilaterally recognize conversion of the Miniutti preferred shares to voting common shares, contrary to the share terms contained in the articles of incorporation;
 - (b) attempting to appoint Hrynyk's wife, Jacqueline Boddaert to the board of directors, without authority to do so, to gain majority control of the board to pursue interests of HR as a shareholder;
 - (c) making disparaging and untrue comments about TW1 and its principals to employees, its bank and its professional service providers, which damages the Corporation's reputation and relationship with these individuals and the broader community;
 - (d) refusing to approve the 2020 financial statements without valid basis for doing so, which damages the Corporation's relationship with its principal lender;
 - (e) failing to distinguish between HR's interests as a shareholder and Hrynyk's role as a director at the board level, which prevents the Corporation from making decisions required to move forward with its business, including to address important financial and operational obligations;
 - (f) threatening to freeze and causing the Corporation's bank account to be frozen in an effort to use the financial crisis caused by inability to pay employees and suppliers as leverage in a shareholders' dispute.

22. As a result of the conduct of HR and Hrynyk, substantial gains made by the Corporation since 2018 have been placed in jeopardy, with damage to the Corporation's reputation, to its relationships with employees, creditors, suppliers and members, and to the value of its shares. Further, the Corporation faces a deadlock in which decisions cannot be made expeditiously or at all, which with the potential for negative short and long term consequences on Royal Oaks.
23. Pursuant to section 166(3) of the *Business Corporations Act* ("the **BCA**"), the Plaintiff seeks the following relief:
- (a) an order removing Hrynyk as a director and officer of the Corporation;
 - (b) an order that all voting shareholders attend a shareholders' meeting to appoint directors to replace Hrynyk and to fill the third (currently vacant) Board seat;
 - (c) an interim and permanent injunction to enjoin Hrynyk from:
 - (i) communicating directly with employees, service providers or sponsors of the Corporation;
 - (ii) freezing the Corporation's bank account;
 - (iii) making public statements or representations to third parties with respect to the Corporation, TW1 or its principals;
 - (iv) negotiating or attempting to negotiate an asset sale on behalf of the Corporation; and
 - (v) taking any steps to effect conversion of the Miniutti preferred shares to voting common shares absent order of the Court;
 - (d) an order requiring HR to "true up" its obligations to TW1 in proportion to its shareholdings, currently being an amount of \$134,041 or, alternatively, diluting HR's shareholding by a proportionate amount with the discount set out in the Shareholders' Agreement for a defaulting shareholder pursuant to section 7.01(1)(e) of the Shareholders' Agreement;
 - (e) damages for costs and expenses incurred to address Hrynyk's oppressive conduct in an amount to be determined;
 - (f) interest, solicitor-and-client costs, and disbursements; and
 - (g) such other or further relief as this honourable Court deems just.
24. The Plaintiff pleads and relies upon the BCA in its entirety and, in particular, sections 79, 97, 166 thereof.
25. The Plaintiff intends to proceed in the English language.

DATED at Moncton, New Brunswick, this 19th day of July, 2021.

STEWART McKELVEY
Solicitors for the Plaintiff,
TW1 Oaks Inc.

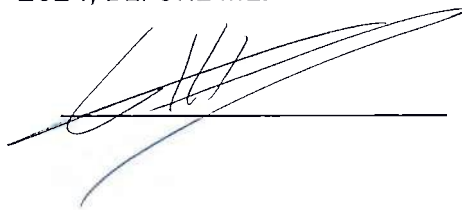
Per:


Josie H. Marks

STEWART McKELVEY
Solicitors for the Plaintiffs
Blue Cross Centre
601-644 Main Street
P.O. Box 28051
Moncton, NB E1C 9N4

Tel: (506) 853-1970
Fax: (506) 858-8454
Email: jmarks@stewartmckelvey.com

This is **Exhibit "D"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 28th day of November,
2024, BEFORE ME:

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes, is written over a horizontal line.

Court File No.: MC-314-2021

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

B E T W E E N:

TW1 OAKS INC.,

Plaintiff,

- and -

**RONALD HRYNYK and HR CORPORATE
STRATEGIES LTD.,**

Defendants.

- and -

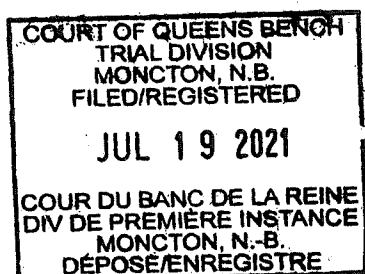
**ESMOND CLOUTHIER, STEPHEN LUNN and
TWELVE12 INVESTMENTS AND CONSULTANCY
INC.**

Parties added by Counterclaim.

**DEFENCE TO COUNTERCLAIM
(FORM 27D)**

1. The Plaintiff, TW1 Oaks Inc, and the Parties added by Counterclaim, Twelve12 Investments and Consultancy Inc. ("**Twelve12**") and Esmond Clouthier (all of which are referred to collectively herein as the "**Counterclaim Defendants**") admit the allegations at paragraphs 6(a), 6(b), 6(c), 6(e) and 6(f) of the Statement of Defence and paragraphs 30 and 32 of the Counterclaim.

2. The Counterclaim Defendants further accept the admissions made by the Defendants at paragraphs 1, 2 and 3 of the Statement of Defence, as well as the admission at paragraph 17 of the Statement of Defence that the Defendant, HR



Corporate Strategies Ltd. ("HR") has been unwilling to make additional capital contributions to the Royal Oaks Golf Club Inc. ("ROGC").

3. The Counterclaim Defendants deny all other allegations in the Statement of Defence and Counterclaim and put the Defendants to the strict proof thereof.

4. With respect to the whole of the Statement of Defence and Counterclaim, the Counterclaim Defendants state that the Defendants' pleadings are replete with allegations that are inaccurate, false and/or deliberately misleading, the inaccuracy, falsity and misleading nature of which are or ought to be known to the Defendants. The inaccurate, false and misleading statements include but are not limited to:

- (a) the allegations at paragraphs 6(i), 6(j) and 14 of the Statement of Defence that the management agreement by which Esmond Clouthier, as a principal of Twelve12, manages the day-to-day operations of ROGC was terminated in July of 2018 when such statement is false, and the Defendants acknowledged the continued liability of ROGC pursuant to such agreement as recently as May of 2021;
- (b) the allegations at paragraphs 6(p), 6(q), 6(r) and 6(s) of the Statement of Defence and at paragraph 34 of the Counterclaim that the financial statements were "deceptive" and that information has not been disclosed to HR, when the fact is that HR, Hrynyk and Boddaert:
 - (i) have had full access to all financial information of ROGC since well before TW1 became a shareholder of ROGC to the present date;
 - (ii) reviewed, actively commented upon, and approved the financial statements each and every year since TW1 became a shareholder of ROGC, including:
 - (A) taking the lead with respect to preparation of the financial statements for the 2018 and 2019 fiscal years; and
 - (B) reviewing, actively commenting upon and approving the 2020 financial statements in February of 2021; and
 - (iii) are or ought to be aware that the financial statements are not deceptively false or misleading and no "false" or "deceptive" financial statements were presented to Maxium as alleged;

- (c) the allegations at paragraphs 6(s) to 6(x) of the Statement of Defence and at paragraph 34(ii) and 34(vii) of the Counterclaim that TW1 or its principals presented improper information to TD bank and that Hrynyk had no knowledge of the signing officers on the ROGC TD bank account, when Hrynyk and Boddaert had been copied on communications relating to such account from the moment signatories were initially established and repeatedly thereafter;
- (d) the allegations made throughout the Statement of Defence and Counterclaim that Patrick Miniutti ("**Miniutti**") has converted his preferred shares to common shares with the approval of ROGC when the Defendants know such statement is false and that the matter is presently pending before the Court in a separate proceeding;
- (e) the allegations made throughout the Statement of Defence and Counterclaim that Walter Steven Lunn ("**Lunn**") does not have voting rights, when the Defendants know or ought to know that voting rights accrue to all common shareholders equally, and that Lunn's contractual agreement to refrain for voting in exchange for a Put Option expired when the Defendants refused to honour the Put Option;
- (f) the presentation of the Consent Order at paragraphs 6(z), 6(aa), 6(jj) and 7 of the Statement of Defence as precluding any prospective change in signing authorities, when the Consent Order itself explicitly states that the signing officers may be prospectively altered by validly executed corporate resolution, which corporate resolution was pending at the time the Consent Order was agreed to and issued in June of 2021;
- (g) the allegation at paragraph 17 of the Statement of Defence that HR has been unwilling to make additional capital contributions "in the absence of suitable disclosures and proper financial accounting", when the Defendants know and the fact is that HR's refusal to make further capital contributions is due to its own financial challenges and its desire to sell its interest in ROGC, and not as a result of any problems of "disclosure or accounting" as alleged;
- (h) the allegation at paragraph 24 that ROGC has suffered extensive financial losses and negative performance since involvement of TW1 and its principals, when the fact is that ROGC faced significant financial difficulty when TW1 became a shareholder in January of 2018 (although the Defendants withheld the extent of this difficulty from TW1 to induce its investment), and the financial situation of ROGC has significantly improved since Miniutti ceded control of financial and operational matters in the summer of 2018; and
- (i) the allegation that TW1 or its principals committed actionable wrongs by calling and participating in shareholders' and directors' meetings when

the exercise of such rights were at all times lawful and in accordance with their rights as shareholders and directors, as applicable.

5. With respect to the allegations in the Statement of Defence and Counterclaim relating to the existing shareholders of ROGC, the Defendants by Counterclaim state that, as of the present date, the shareholders of the Corporation are as follows:

- (a) TW1: 218,000 voting common shares;
- (b) HR: 159,000 voting common shares;
- (c) Lunn: 125,677 voting common shares;
- (d) Miniutti: 100,000 non-voting class "C" preferred shares.

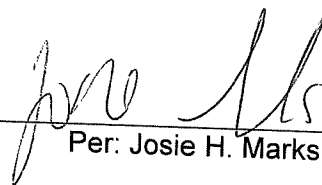
6. The Counterclaim Defendants state that there are no facts pleaded which, if true, could ground a claim against Twelve12, and state that the claim against Twelve12 should be struck out in its entirety for failure to disclose a cause of action.

7. The Counterclaim Defendants asks that the Counterclaim be dismissed with solicitor and client costs.

DATED at Moncton, New Brunswick, this 19th day of July 2021.

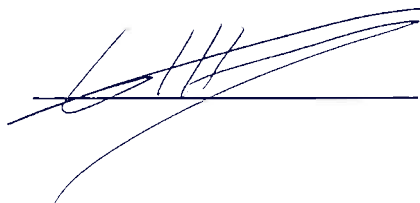
STEWART McKELVEY

Solicitors for the Plaintiff and Defendants by
Counterclaim, Esmond Clouthier and
Twelve12 Investments and Consultancy Inc.


Per: Josie H. Marks

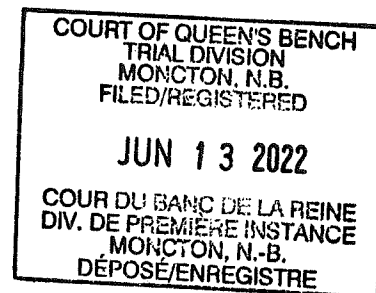
Stewart McKelvey
644 Main Street, Suite 601
P.O. Box 28051
Moncton, NB E1C 9N4
Telephone: (506) 853-1970
Facsimile: (506) 858-8454
Email: jmarks@stewartmckelvey.com

This is **Exhibit "E"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 28th day of November,
2024, BEFORE ME:

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes, is written over a solid horizontal blue line.

314
Court File No.: MC 315 2021

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
TRIAL DIVISION
JUDICIAL DISTRICT OF MONCTON



Re: Court File # MC 315 2021
TW1 Oaks Inc v Ronald Hrynyk and HR Corporate Strategies Inc v Esmond Clouthier
Steven Lunn and Twelve12 Investments and Consultancy Inc.

Statement of Defence of Counterclaim – In English

Ronald Hrynyk, in his Statement of Defence, makes a number of conflicting, misleading and untrue statements. If anyone has been wronged in this whole sorry episode it is myself. I give a detailed statement of my involvement below. In summary, I invested C\$500,000 in Royal Oaks Golf Course in March 2019 and had a Put Option set to expire at the end of March 2020, as things turned out Covid struck and, when asked, I agreed to extend the Put Option for another year until end March 2021. Having not received a penny from my investment for two years, I exercised my Put Option on 29 March 2021. Despite asking Hrynyk by email on several occasions, as to his intent to honour my Put Option I have to date, received no positive communication of his intent to do so.

In his Statement of Defence Hrynyk at 6 ii) 'even though such rights did not accrue to Lunn pursuant to the Put Option'. This seems to be Hrynyk wishing to have his cake and wishing to eat it! It is due to his own deceitful actions that I find myself as a shareholder in Royal Oaks Golf Club, a position I did not seek, nor do I want.

I ask the Court to dismiss Hrynyk's Counterclaim and to instruct him to honour my Put Option without further delay.

I estimate that at this time I am owed C\$ 261,485 from Hrynyk. This being 42% (his shareholding) of C\$ 500,000 (C\$ 210,875) and 3 years of interest at the agreed 8% (C\$ 50,610).

I, **WALTER STEVEN LUNN**, of Tucson, Arizona, **SAY AS FOLLOWS:**

1. I own 125,667 common shares in Royal Oaks Golf Club Inc. ("**ROGC**"). As such, I have personal knowledge of the matters referred to herein except where otherwise stated.
2. I am a Chartered Civil Engineer and hold a Master's Degree in Construction Management. I have more than 40 years experiencing leading high profile building and infrastructure projects in many countries, including the United Kingdom, the United Arab Emirates, Malaysia, Saudi Arabia and Jordan.
3. From 2008 to 2015 and from 2018 to 2020, I held senior executive roles with Mubadala Real Estate & Infrastructure ("**MREI**") and its affiliated companies, before retiring at the end of 2020. MREI is a real estate and business development company based in Abu Dhabi, United Arab Emirates that has investment projects in more than 50 countries.
4. Through MREI, I met Nicole Clouthier ("**Nicole**"). We worked together at MREI from around 2008 to 2014, during which period Nicole was General Counsel to MREI. In 2014, Nicole resigned her position to relocate with her family to Canada, but we remained in contact.

Investment in ROGC

5. Around late February or early March of 2019, I was approached by Nicole with an opportunity to invest in ROGC.
6. Having worked with Nicole on numerous real estate and business development projects, I trust her as a person who sees a project through and remains loyal to the "double bottom line" that underscored MREI's investment focus: the project must provide both strong financial and social-economic returns. Her vision for ROGC was to grow and develop the Royal Oaks golf course and facilities to meet that double bottom line.
7. Nicole disclosed the troubled past of ROGC which pre-dated her involvement, including poor financial management during the time in which Patrick Miniutti had managed operations. I was advised that a re-organization of the company would occur in conjunction with my investment by which Mr. Miniutti would relinquish his rights as a common shareholder and

be removed from day-to-day operations and management. I felt confident making an investment based upon:

- (a) my first-hand knowledge of Nicole's expertise in supporting and managing large, high profile projects;
 - (b) the expertise of the Nicole's spouse, Esmond Clouthier in the golf industry;
 - (c) the support of the two other common shareholders, TW1 Oaks Inc. ("**TW1**") and HR Corporate Strategies Ltd. ("**HR**") for the long-term growth of ROGC; and
 - (d) the proposed re-organization to exclude Mr. Miniutti from day-to-day operations and management.
8. On March 29, 2019, I entered a Share Purchase Agreement with ROGC, HR and TW1 ("**the SPA**"), a copy of which is attached as **Exhibit "A"**.
9. Pursuant to the SPA, I purchased 125,667 common shares (25% stake) for \$500,000 CDN. The other 75% of common shares were held by TW1 (218,000) and HR (159,000).
10. Section 2.4 of the SPA provided me with a put option, the exercise of which would require TW1, HR and/or ROGC to purchase my shares for \$540,000 (my initial investment plus 8%) after one year.
11. Section 2.6 provided that, so long as the put option was valid, I would not exercise the voting rights attached to my common shares.

Renewal of Put Option in March 2020

12. During the first year of my investment in ROGC, I received periodic updates from Nicole. I was pleased by material improvements in food & beverage operations of ROGC as demonstrated in increase in profit margins and a material reduction in cost base, as well as the increase in weddings, banquets, golf tournaments and corporate sponsorships. The hands-on management of both Nicole and Mr. Clouthier were key drivers of these improvements.
13. As the deadline to exercise the put option approached in March of 2020, ROGC faced challenges as a result of the COVID-19 pandemic. I was advised by Nicole and verily believe that ROGC was in discussions for a forbearance agreement with its senior lender, while also

actively exploring further government and other support to manage the effects of the pandemic.

14. I agreed to refrain from exercising of my put option on the one year anniversary of the SPA in exchange for an extension of the put option, on the same terms and conditions, for a further year, along with deferral of payment of my 8% coupon, with interest, until March of 2021.
15. Attached as **Exhibit "B"** is a copy of my email exchanges with Nicole with respect to this arrangement. Attached as **Exhibit "C"** is a copy of an email exchange provided to me by Nicole in which Ronald Hrynyk, on behalf of HR, agreed to this extension.

Exercise and Cancellation of Put Option – March-May, 2021

16. On March 29, 2021, I provided notice to TW1 and HR of my intent to exercise my put option. Receipt of this Notice was acknowledged by TW1 (through Nicole) on March 30, 2021 and by HR (through Mr. Hrynyk) on April 1, 2021. A copy of the email chain with my notice and the acknowledgements of receipt is attached as **Exhibit "D"**.
17. On April 12, 2021, having received no further communication, I sent a follow-up email to all parties asking for an update. A copy of this email is attached as **Exhibit "E"**.
18. On May 5, 2021, only one week away from the date the put option was supposed to close and having still not received any substantive response, I followed up again. A copy of this email is attached as **Exhibit "F"**.
19. On May 7, 2021, I was copied into email exchanges between the principles of HR and TW1, in which HR appeared to be question the validity of my put option. A copy of this email exchange is attached as **Exhibit "G"**.
20. By emails dated May 12, 2021 (a copy of which is attached as **Exhibit "H"**) and May 13, 2021 (a copy of which is attached as **Exhibit "I"**), Mr. Hrynyk set out various arguments, many of which are conflicting and make little sense. However, I nonetheless understood these emails to confirm that HR did not intend to honour the put option.
21. As conveyed by my response on May 15, 2021 (a copy of which is attached as **Exhibit "J"**) I was extremely upset with the approach taken by Mr. Hrynyk and HR.
22. On May 21-22, 2021 and May 28, 2021, I communicated further with Mr. Hrynyk, a copy of which email exchanges are attached as **Exhibit "K"** and **Exhibit "L"** respectively.

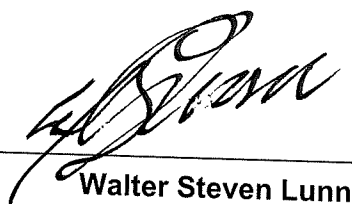
23. This flurry of emails from Mr. Hrynyk throughout May of 2021 left me quite taken aback. At no time prior to May of 2021 had anyone ever questioned the validity of my put option. My \$500,000 investment had been readily accepted in 2019 in exchange for a SPA executed by Mr. Hrynyk, as President of HR. When ROGC faced significant challenges due to the pandemic, I had agreed to extend my Put Option, again with the concurrence of Mr. Hrynyk on behalf of HR. Now, when it came time for me to exercise my contractual right pursuant to the SPA, Mr. Hrynyk was suddenly questioning the validity of the contractual agreements previously agreed to by him and HR without any objection.
24. The 30-day time frame to purchase my shares under the SPA, as extended, lapsed without any purchase and HR had made it clear that it did not even recognize the existence of a put option. There being no effective put option, I am not aware of any basis upon which I can be denied my voting rights as the holder of 125,667 common shares of ROGC.

Appointment as Director

25. In the meantime, on or around May 9, 2021 (following the email exchanges at Exhibit G), I was asked by Nicole, on behalf of TW1, whether I would be willing to act as a director of ROGC. As it appeared clear by that time that the put option transaction would not close within the 30 days as stipulated by the SPA such that I would remain a shareholder after that date, I agreed to act as a director if elected.
26. The shareholders meeting to elect me as a director was ultimately scheduled for June 2, 2021.
27. On May 27, 2021, I received companion notices from Mr. Hrynyk on behalf of HR and Patrick and Aline Miniutti objecting to my appointment as a director of ROGC. Copies of these notices are attached respectively as **Exhibits "M" and "N"**.
28. I understand that Mr. and Mrs. Miniutti also sought urgent intervention from the Court in Moncton, New Brunswick to prevent the shareholders' meeting from proceeding as scheduled on June 2, 2021, but the Court refused their request for an urgent hearing.
29. At this stage, I was very concerned about the future of ROGC and, consequently, my investment. Mr. Hrynyk's refusal to acknowledge HR's contractual agreements under the SPA, combined with the lack of coherence of his objections to these agreements, left me seriously concerned about his integrity and business judgment as a director. He appeared to be acting in concert with Mr. Miniutti in an effort to take control of the Corporation, when

Mr. Miniutti's poor financial management had already led to difficulties requiring my investment in the first place.

30. On May 31, 2021, I appointed Nicole as my proxy to attend the shareholders' meeting of June 2, 2021.
31. The shareholders' meeting occurred on June 2, 2021 and I was elected as a director of the Corporation. A copy of the minutes of such shareholders' meeting, along with my proxy form, is attached as **Exhibit "O"**.
32. I attended a subsequent board meeting on June 10, 2021, at which Mr. Hrynyk, Mr. Clouthier and I were present. A copy of the minutes of that meeting is attached as **Exhibit "P"**.
33. I have 40+ years of working with large, high profile projects in various countries. I have served as a board director for various companies, including Mubadala, one of the world's largest. I understand the fiduciary responsibilities and duties of a director which, in this case, require acting in the best interests of ROGC. I have and will continue to discharge my duties as a director in accordance with these fiduciary duties



Walter Steven Lunn

23 May 2022

SHARE PURCHASE AGREEMENT

THIS AGREEMENT, dated as of the 29th day of January, 2010,

BETWEEN

Royal Oaks Golf Club Inc., a limited liability partnership organized under the laws of the Province of New Brunswick (the "Seller")

- and -

Walter Steven Lunn, of PO Box 40359, John Oliver, United Arab Emirates (the "Purchaser")

and

RR Corporate Strategies Ltd., a body corporate organized under the laws of the Province of Ontario ("RR Corporate")

and -

TVI Oaks Inc., a body corporate organized under the laws of the Province of Ontario ("TVI Oaks")

Paul Joseph and TVI Oaks, collectively, the "Shareholders", and

each of the above being a party, individually, the "Parties".

WHEREAS the Seller is the registered and beneficial owner of the Purchased Shares;

AND WHEREAS the Purchaser desires to purchase the Purchased Shares from the Seller;

AND WHEREAS the Parties wish to enter a contract relating to the Purchased Shares;

NOW THEREFORE in consideration of the sum of money and value contained hereon for other good and valuable consideration the receipt and fulfillment of which each of the Parties hereby acknowledge, the Parties have hereby agreed and agreed to fulfill:

ARTICLE ONE INTERPRETATION

Section 1 - Definitions - In this Agreement, unless the context indicates otherwise, the following words shall have the following meanings:

- (a) "Closing Date" means on or before 28th March, 2010;
- (b) "Corporation" means Royal Oaks Golf Club Inc., a body corporate incorporated under the laws of the Province of New Brunswick;
- (c) "Purchased Shares" means 115,007 common shares in the capital of the Corporation; and

- (B) Purchase Price (equal to the two hundred and third Canadian dollar (\$200.00 CAD) in respect of the Purchased Shares).

ARTICLE TWO PURCHASE AND SALE

Section 2.1. Purchase of Shares. The purchase of the Shares hereinafter mentioned by the Seller hereby to the Purchaser is hereby by the Purchaser for the Purchase Price on the Closing Date and the Purchaser hereby purchases the Purchased Shares from the Seller for the Purchase Price on the Closing Date.

Section 2.2. Payment of Purchase Price. The Purchaser hereby agrees to pay the Purchase Price on the Closing Date to the Seller in full or, as a possible time, as such later agreed as may be notified to the Purchaser.

Section 2.3. Transfer of Shares. Within 10 days after the Closing Date, the Seller shall deliver to the Purchaser all necessary documents, including bills of sale, stock certificates, assignment and consents, and any other documents necessary or reasonably required to effect the transfer of the Purchased Shares to the Purchaser. The Seller shall also deliver to the Purchaser all necessary documents, including bills of sale, stock certificates, assignment and consents, and any other documents necessary or reasonably required to effect the transfer of the Purchased Shares to the Purchaser. The Seller shall also deliver to the Purchaser all necessary documents, including bills of sale, stock certificates, assignment and consents, and any other documents necessary or reasonably required to effect the transfer of the Purchased Shares to the Purchaser.

Section 2.4. Put Option. The Seller shall be obligated to sell and assign all such documents to the Purchaser on or before the Closing Date and to the Purchaser on or before the Closing Date.

- (a) On the last anniversary of the Closing Date and within a period of 10 days thereafter, the Seller shall exercise the Put Option. The Seller shall exercise the Put Option by delivering to the Purchaser a written notice of the Put Option and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option.
- (b) The Seller shall deliver the Shares to the Purchaser on or before the Closing Date and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option. The Seller shall deliver the Shares to the Purchaser on or before the Closing Date and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option.
- (c) The Seller shall deliver the Shares to the Purchaser on or before the Closing Date and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option. The Seller shall deliver the Shares to the Purchaser on or before the Closing Date and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option.

Section 2.5. Assignment of Put Option. The Purchaser shall have the right to assign the Put Option to any third party on or before the Closing Date. The Seller shall deliver to the Purchaser the Put Option on or before the Closing Date and the Purchaser shall deliver to the Seller the Purchase Price for the Put Option.

Purchaser agree that they shall not execute, sign, deliver or execute any documents or may be required to execute the same and recognize the Purchased Shares as common stock in the capital of the Corporation with full voting rights, including but not limited to the entry into of the shareholders' agreement, substantially in the form attached hereto as Exhibit A (the "Shareholders Agreement").

Section 2.6. Purchased Shares. Until and until the Purchase is cancelled pursuant to Section 2.5 above, the Purchaser acknowledges and agrees that the Purchased Shares shall be deemed to be non-voting shares and that the Purchaser hereby waives the benefit of any voting rights under the Shareholders Agreement. Each of the Parties hereto agrees that the certificate representing the Purchased Shares shall be endorsed with a legend in substance in the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN A SHARE PURCHASE AGREEMENT BETWEEN THE HOLDER OF THIS CERTIFICATE AND CERTAIN OTHER PARTIES. TRANSFER OF THE SHARES IS SUBJECT TO THE RESTRICTIONS CONTAINED IN SUCH AGREEMENT.

ARTICLE THREE CLOSING

Section 3.1. Closing Deliveries. On the Closing Date, the Seller shall deliver to the Purchaser the Share Certificate representing the Shares purchased and shall execute and deliver to the Purchaser such transfer documents and such other documents and instruments contemplated by Section 2.2 hereof.

Section 3.2. Covenants. The obligations of the Seller and Purchaser under the Agreement are subject to the following at or prior to the Closing Date of the foregoing conditions, with each of paragraphs (a) and (b) being for the sole benefit of the Seller and being subject to being waived in writing in whole or in part by the Seller, and with each of paragraphs (c) and (d) being for the sole benefit of the Purchaser and being subject to being waived in writing in whole or in part by the Purchaser:

- (a) all the representations and warranties given of the Purchaser shall be true as of and as of the Closing Date with the same effect as though they had been made as of and as of the Closing Day;
- (b) the Seller shall be relieved of all covenants to be complied with by the Purchaser prior to the Closing Date as set forth herein;
- (c) all the representations and warranties given of the Seller shall be true as of and as of the Closing Date with the same effect as though they had been made as of and as of the Closing Date; and
- (d) the Seller shall be relieved of all covenants to be complied with by the Seller as or prior to the Closing Date as set forth herein.

ARTICLE FOUR REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Seller. The Seller represents and warrants to Purchaser that:

- (a) each of the Purchased Shares has been duly and validly issued by the Corporation and is fully paid and not subject to any claim or charge of the Corporation;
- (b) the Seller is the record and beneficial owner of all Authorized Shares free and clear of all debts, charges or claims, liens, mortgages, and has good and marketable title thereto, and that upon consummation of the transactions contemplated herein, Purchaser shall have a net number of shares of Authorized and Outstanding shares of the Corporation, and a net amount, taking the Seller's share of any payment option, in right or receipt of the proceeds of any dividend, equity or equity derivative in the capital of the Corporation other than a dividend or dividend in kind, sufficient;
- (c) the Seller has all necessary corporate power and authority and is duly and legally entitled to enter into this Agreement and to transfer the Purchased Shares to Purchaser on the terms and conditions set out in this Agreement; and
- (d) The Seller is not a non-resident of Canada for purposes of Section 10 of the Income Tax Act (Canada).

Section 4.2. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to the Seller that:

- (a) the fulfillment of the obligations of Purchaser hereunder will not fail to be a violation of any of the provisions of the constituting instruments of Purchaser;
- (b) that the Seller's "Transfer of Shares Agreement" as attached hereto as Annex A and set forth herein shall apply to the terms and conditions set out therein; and
- (c) that, now and in the future, Purchaser as placed hereto as Annex B, and as provided herein, agrees to the terms and conditions set out therein.

ARTICLE FIVE COVENANTS

Section 5.1. Covenants of the Seller. The Seller covenants with Purchaser that it will:

- (a) to ensure the necessary steps and corporate procedures to be taken to effectively and validly carry out the transactions contemplated herein;
- (b) to cause the Seller's officers representing the Purchaser, to cause to be delivered to Purchaser on or before the Closing Date, duly executed in blank, to be accompanied by a stock transfer form transferring the Purchased

1

Shareholder Purchases may constitute a sale and to waive the benefit of the Purchased Shares to the extent provided on the books and records of the Corporation.

Section 4.1. *Abstract* (high-level) or *concrete* (low-level) requirements in Policy Schemas can be abstracted or concretized, and are convertible to and from each other effectively and efficiently using our *abstraction* and *concretization* algorithms.

AP FILE SIX
MISCELLANEOUS

Section 6.1. Application. The Agreement shall be construed and interpreted in accordance with the laws of the Province of Ontario and of the federal laws of Canada, applicable there and the courts having authority in the non-exclusive jurisdiction of the courts of such Province.

[illegible]

Section 4.3. Binding Effect. This Agreement and its binding upon the parties hereto and their respective successors and permitted assigns, and its enforceability to the extent of the parties hereto, for a remedy, shall constitute a contract and enforceable.

Contracted By: Big A Sept 2000 This Agreement may not be assigned by either party without the written consent of the other party in writing.

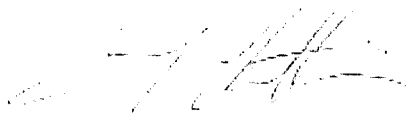
Stachowicz, J.E. 1997. The role of mutualism in the coexistence of two *Acetabularia* spp.

Lemma 4.1. *Let \mathcal{A} be a subalgebra of $\mathcal{B}(\mathcal{H})$. Then the norm on \mathcal{A} is the restriction of the norm on $\mathcal{B}(\mathcal{H})$ to \mathcal{A} . In particular, \mathcal{A} is a normed space.*

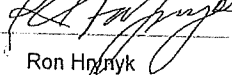
Section 5.7. Counterparts and Electronic Transmission. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and all of such counterparts taken together shall constitute one and the same Agreement. In making the first delivery of a signed form of this Agreement, a party may send a copy of its executed counterpart to the other party by facsimile transmission or other form of electronic transmission and such copy shall be deemed to have been executed for Agreement purposes and it shall constitute a copy of the Agreement. Each copy of the Agreement shall be deemed to be a copy of the Agreement as executed by such party.

{ remainder of page intentionally left blank - signature page(s) follow }

IT WITNESSETH WHEREOF THE SIGNED PARTIES HAVE SUBSCRIBED AND SIGNED IN
 the presence of the City and your first names written


 Ron Hrynyk
 Director

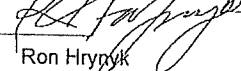
ROYAL OAKS GOLF CLUB INC.

By 
 Name Ron Hrynyk
 Title Director

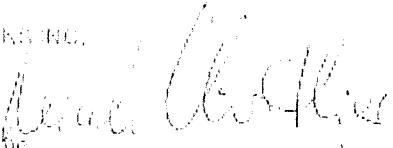
WALTER STEVEN LUND

By 
 Name Walter Steven Lund
 Title Vice President

RD CORPORATE STRATEGIES LTD.

By 
 Name Ron Hrynyk
 Title President

TWO OAKS INC.

By 
 Name Bruce McArthur
 Title Director

From: "nicoledclouthier@rocketmail.com" <nicoledclouthier@rocketmail.com>
Subject: Royal Oaks Golf Club Catch-Up
Date: March 31, 2020 at 5:05:20 PM EDT
To: Steve Lunn <stevelunn60@gmail.com>

Hi Steve,

Wow, what a time to be emailing you. Since last we corresponded, the world certainly has changed and the impacts are widely and globally felt and changing hour by hour.

I do hope this email finds you and your loved ones well and healthy!

The family and I returned March 19th and have been in self-isolation ever since. We finally get to do our own grocery shopping this Friday!

In respect of the golf course, before I get into a fuller update, I would need to ask for a signature on our TD bank account please. We recently paid off a Line of Credit and as such TD requires that we are moved from a commercial account to a small business account. This will allow us to save on fees and during covid-19 will make applying for financial support easier. Attached is the form to move our visa to small business account. Would you be able to sign and return the attached document to me at your earliest convenience?

In respect of the golf course then: Well, we are getting the financials completed and overall it is positive. Even with a 20% loss in our golf season - we did not open until June 7th - we only lost out on golf revenue by 7.1% from 2018. F&B performed well, even with the loss of our Director of F&B at end of August and our new Executive Chef not starting until November, and overall was down only 2.7% against 2018! (The fact that F&B is not trending same or worse than golf revenue also shows that the restaurant as a standalone business centre is growing on its own and more and more independent from golf)

Overall we were able to improve profitability by 9.2% from 2018 and it shows that the focus on costs had the right impact and provides a solid basis to keep growing the business. Instrumental in growing the business is the hire of our new GM, Chris Medford, who started March 1st. With what he has been able to achieve just in the first month and especially given covid-19 impacts, we are extremely excited to see the growth he will be able to bring to the business, for our 20th anniversary and the seasons ahead!

Unfortunately, covid-19 did hit us at the golf course at a particularly vulnerable time. We have had to close the restaurant, had all our events cancel for March and have had to let most of our staff go. We are still hopeful to have a golf season this year and have therefore kept the minimal team of Superintendent and Assistant Superintendent to focus on the course and internally our new GM and Office Manager/Executive Assistant to focus on updating policies and more importantly sale of memberships. Our bookkeeper is down to minimum hours as we try to strike the right balance between being able to get ready for the season ahead whilst having no revenue coming in since March 1st and adapting to a daily new normal.

With your investment, as you know, you have a right to put the shares back to the golf club including being paid out on the dividend. You are also able to continue your investment and we would be able to offer an extension of the dividend terms for another year if that would be of interest to you. As for paying out the dividend for 2019-2020 in the most tax efficient manner, I have not landed on a best course of action and it would really depend on what you wanted to do. We could treat it as re-invested and thereby delay the tax impact or potentially structure it as an option, again deferring the tax impact. Let me know what you would like to do on this, however. Payment out I understand would be a taxable event.

Our medium to long-term vision for the golf course has slightly changed direction as we feel a hotel would not be the best next phase just yet. Investors are hesitant as soon as you utter the words 'hotel' and for more immediate capital injection into the golf club, developing certain lands on the golf club would probably be best use of money and provide more certain dividend from both a timing and IRR perspective. We are actively looking at zoning, construction and ultimately structuring best investment for equity of the around 2.7 acres on the golf course that would lend itself well to development. I have attached some zoning of the land areas for your information.

Esmond and I are still committed to the golf course and our team on the ground. We are excited for our 20th anniversary season this year and the years ahead as we see operations improve and go from strength to strength - we very much appreciate your support in this endeavour! We are happy to discuss openly the challenges and successes of the golf course, and would certainly be open to discussing your preferred options with regard to your investment.

Anytime you have chance for a call, let us know - would love to catch up more properly over the phone.

Best wishes for now and stay healthy!

Nicole

From: Walter Steven Lunn <stevelunn60@gmail.com>
Subject: Re: Royal Oaks Golf Club Catch-Up
Date: April 1, 2020 at 3:11:48 AM EDT
To: nicoleclouthier@rocketmail.com

Hello Nicole

Glad to see you all back safe and well - hope you have enough food in the house to see you through until Friday! As requested I attach the signed TD account.

At this time of global uncertainty I believe the right thing to do would be to continue my investment and to reinvest the dividend, I'm not sure how this would change any shareholding, if at all, but rest assured I look at this as a long term investment. When the books are closed for 2019, can you please send a copy.

Donna officially retired yesterday and now enjoys her new title of "housewife" - I don't think! As for myself look to finish in August, well that's the plan for the time being.

The land photos you sent should be fairly straightforward to develop, not like our Tucson plot half way up a mountain.

Would love to talk - perhaps once I have seen last years numbers.

If this virus lasts a summer in Abu Dhabi - then we really will be worried! Stay well, Best wishes Steve

This is Exhibit "C"

Begin forwarded message:

From: Ron Hrynyk <ronhrynyk1@gmail.com>
Subject: Re: Steve Lunn ROGC Participation
Date: April 10, 2020 at 10:49:26 AM EDT
To: Nicole Clouthier <Nicole.Clouthier@royaloaks.nb.ca>
Cc: Jacqueline Boddaert <Jboddaert1@gmail.com>, Esmond Clouthier <esmond.clouthier@royaloaks.nb.ca>

Sounds fair Nicole & Es,

Proceed

Ron Hrynyk
Chairman
HR Corporate Strategies
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3
(416) 301-2564

Email : ron@hrcorpstrategies.com

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On Apr 10, 2020, at 10:35 AM, Nicole Clouthier
<Nicole.Clouthier@royaloaks.nb.ca> wrote:

Morning Ron,

Just to confirm our discussions in respect of Steve's investment in the golf course.

Steve's investment as 25% non-voting common shareholder to be extended by another year, i.e. with the same option to convert or put back the shares AND with coupon of 8%, until end March 2021.

Coupon of 8% earned end March 2019 to end March 2020 not to be paid out at this time but to be re-invested. Believe we cannot add to his shares as will throw out equity so proposal is that the \$40k earned end March 2020 is reflected as a promissory note with repayment of \$40k + 8% interest to be paid out end March 2021.

Please can you confirm your agreement with the above and we will reach out to Steve as well as counsel to paper the changes and reflect in corporate books.

Thanks,

Best,

Nicole

<image001.jpg>

Nicole Clouthier

401 Royal Oaks Boulevard
Moncton, NB, Canada
E1H 0A2
royaloaks.ca

On Apr 1, 2021, at 9:23 AM, Ron Hrynyk <ronhrynyk1@gmail.com> wrote:

Steve

Thank you for your email. Just want to confirm receipt of the notice.

We are reviewing the agreement and will confirm appropriate dates accordingly.

Best Regards,

Ron Hrynyk

Chairman

HR Corporate Strategies

2495 Lloydtown Aurora Side Road

King City, ON L7B 1A3

(416) 301-2564

Email : ron@hrcorpstrategies.com

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On Mar 30, 2021, at 4:04 PM, Nicole Clouthier
<twelve12invest@gmail.com> wrote:

Dear Steve,

On behalf of TW1 Oaks Inc., we hereby confirm receipt of your email notice below.

We are of course saddened to have received your notice but appreciate you sticking with us, especially through the Covid year, and renewing your option to 2021.

As per the terms of the SPA, I believe that we will need to conclude this transaction by May 12th, unless an extension is otherwise agreed.

Please can all parties hereto confirm collective understanding of time periods pursuant to the agreement.

Much appreciated.

Kind regards,

Nicole and Esmond

Twelve12 Investment & Consultancy Inc
twelve12.ca
Cell: 289-383-5585

On Mar 29, 2021, at 11:50 AM, Walter Steven Lunn
<stevelunn60@gmail.com> wrote:

CAUTION: This email originated from outside of Royal Oaks Golf Club. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Shareholders

Please accept this email as formal notice to exercise my Put Option.

As you may be aware I have now retired, and having done so am reliant on income from investments, without any coupon from my investment in ROGC for two years I now, somewhat reluctantly exercise the Put Option.

I of course wish ROGC and its shareholders a successful future.

Sincerely, Steve Lunn

From: Walter Steven Lunn <stevelunn60@gmail.com>
Subject: Re: ROGC - Put Option
Date: April 12, 2021 at 12:41:12 PM EDT
To: Ron Hrynyk <ronhrynyk1@gmail.com>
Cc: Esmond Clouthier <esmond.clouthier@royaloaks.nb.ca>, Jacquie Boddaert <Jboddaert1@gmail.com>, Esmond Clouthier <twelve12invest@gmail.com>

Good afternoon All,

Having exercised my Put Option a couple of weeks ago, I would appreciate if you could update on the latest position.

Best S

On Apr 1, 2021, at 9:23 AM, Ron Hrynyk <ronhrynyk1@gmail.com> wrote:

Steve

Thank you for your email. Just want to confirm receipt of the notice.

We are reviewing the agreement and will confirm appropriate dates accordingly.

Best Regards,

Ron Hrynyk
Chairman
HR Corporate Strategies
2495 Lloydtown Aurora Side Road
King City, ON L7B 1A3
(416) 301-2564

Email : ron@hrcorpstrategies.com

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On Mar 30, 2021, at 4:04 PM, Nicole Clouthier
<twelve12invest@gmail.com> wrote:

Dear Steve,

On behalf of TW1 Oaks Inc., we hereby confirm receipt of your email notice below.

We are of course saddened to have received your notice but appreciate you sticking with us, especially through the Covid year, and renewing your option to 2021.

As per the terms of the SPA, I believe that we will need to conclude this transaction by May 12th, unless an extension is otherwise agreed.

Please can all parties hereto confirm collective understanding of time periods pursuant to the agreement.

Much appreciated.

Kind regards,

Nicole and Esmond

Twelve12 Investment & Consultancy Inc
twelve12.ca
Cell: 289-383-5585

On Mar 29, 2021, at 11:50 AM, Walter Steven Lunn
<stevelunn60@gmail.com> wrote:

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unless you recognize the sender and know the content
is safe.

Dear Shareholders

Please accept this email as formal notice to exercise my
Put Option.

As you may be aware I have now retired, and having
done so am reliant on income from investments,
without any coupon from my investment in ROGC for
two years I now, somewhat reluctantly exercise the Put
Option.

I of course wish ROGC and its shareholders a successful
future.

Sincerely, Steve Lunn

From: Steve Lunn <stevelunn60@gmail.com>
Subject: Re: ROGC - Put Option
Date: May 5, 2021 at 3:25:36 PM EDT
To: Ron Hrynyk <ronhrynyk1@gmail.com>
Cc: Esmond Clouthier <esmond.clouthier@royaloaks.nb.ca>, Jacqueline Boddaert <Jboddaert1@gmail.com>, Esmond Clouthier <twelve12invest@gmail.com>

Hello Ron/Esmond

With the 12 May approaching, can you please advise on the arrangements for settlement of the Put Option.

Appreciated, best Steve

Sent from my iPhone

On Apr 1, 2021, at 9:23 AM, Ron Hrynyk <ronhrynyk1@gmail.com> wrote:

Steve

Thank you for your email. Just want to confirm receipt of the notice.

We are reviewing the agreement and will confirm appropriate dates accordingly.

Best Regards,

Ron Hrynyk

Chairman

HR Corporate Strategies

2495 Lloydtown Aurora Side Road

King City, ON L7B 1A3

(416) 301-2564

Email : ron@hrcorpstrategies.com

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On Mar 30, 2021, at 4:04 PM, Nicole Clouthier
<twelve12invest@gmail.com> wrote:

Dear Steve,

On behalf of TW1 Oaks Inc., we hereby confirm receipt of your email notice below.

We are of course saddened to have received your notice but appreciate you sticking with us, especially through the Covid year, and renewing your option to 2021.

As per the terms of the SPA, I believe that we will need to conclude this transaction by May 12th, unless an extension is otherwise agreed.

Please can all parties hereto confirm collective understanding of time periods pursuant to the agreement.

Much appreciated.

Kind regards,

Nicole and Esmond

Twelve12 Investment & Consultancy Inc
twelve12.ca
 Cell: 289-383-5585

On Mar 29, 2021, at 11:50 AM, Walter Steven Lunn
 <stevelunn60@gmail.com> wrote:

CAUTION: This email originated from outside of Royal Oaks Golf Club. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Shareholders

Please accept this email as formal notice to exercise my Put Option.

As you may be aware I have now retired, and having done so am reliant on income from investments, without any coupon from my investment in ROGC for two years I now, somewhat reluctantly exercise the Put Option.

I of course wish ROGC and its shareholders a successful future.

Sincerely, Steve Lunn

From: Nicole Clouthier <nicoleclouthier@rocketmail.com>
Subject: Re: Response required Please
Date: May 7, 2021 at 5:08:53 PM EDT
To: Ron Hrynyk <ron@hrcorpstrategies.com>
Cc: Walter Steven Lunn <stevelunn60@gmail.com>, Esmond Clouthier <esmond.clouthier@royaloaks.nb.ca>

Ron,

Questions below were previously asked and answered. As I have said in my emails before you have been party to the discussions and correspondence in respect of the extension of the Put Option and as Secretary to the Company and Shareholder would have knowledge of documents that you would have signed.

I reiterate that I don't believe it is helpful to go over this again and am not entirely clear as to what you are looking to achieve by your line of questions, unless you are looking to challenge or renege on your previous agreement.

I have asked you repeatedly for your proposal so that we may action Steve's Put Option and have not received a response to this.

It would be helpful if you could set out your intentions so that we may move forward given Steve has not yet had any confirmation from you on timing for conclusion of the transaction.

Nicole

On May 7, 2021, at 3:48 PM, Ron Hrynyk <ron@hrcorpstrategies.com> wrote:

Steve, Nicole, Esmond:

I have been awaiting a response to questions put forth to Esmond & Nicole on this Put Option agreement for some time now.

By copy of this email I would ask Nicole to please clearly answer the questions below so that I can move this issue forward.

Email sent May 6th, 2021 to Esmond & Nicole:

Esmond and Nicole

As I set forth in my email to you on April 30th pertaining to the forgoing, I would like to know if Nicole reached out to counsel and papered the changes to the referenced "extension" document that she contemplated? Your response would suggest that there was nothing documented in respect to that matter. Am I correct in assuming that? Please confirm as you did not respond to that question.

I had additionally asked you if there was any notice of cancellation of the Put Option contained in that documentation and did not receive any response to that question. Am I to assume that there was no such cancellation? Please confirm as you did not respond to that question.

I also had asked you to provide me with a copy of the Voting Agreement referred to in section 4.2(c) of the Share Purchase Agreement. Based upon your response it would appear that no such agreement was attached to the Share Purchase Agreement? Please confirm.

I wait for your response.

Email sent March 29th, 2021, to Esmond & Nicole:

Re: Share Purchase Agreement dated March 29, 2019 and the Put Option contained therein

Esmond and Nicole

I have been reviewing my records in respect to the Share Purchase Agreement dated March 29, 2019 and the Put Option granted to Steve Lunn contained therein on his 125,667 common shares. I note that the Put Option provisions contained within the Share Purchase Agreement expired on April 9, 2020. I further notice that on the following day (April 10, 2020) there were email exchanges between Nicole and I in which we discussed the "extension" of the Put Option. Nicole advised that she would "reach out to Steve as well as counsel to paper the changes and reflect in corporate books" should I be in agreement. I thereafter, on April 10, 2020, advised that "It sounds fair".

I have not been able to locate a copy of that "extension" document which Nicole advised would be papered. Is there such a document and if so can you provide me with a copy?

I have also not been able to locate any notice of cancellation of the Put Option by Steve Lunn and assume that there never was any such notice. Would you please confirm?

Additionally, there is reference in Section 4.2(c) of the Share Purchase Agreement to a "Voting Agreement" attached as Annex B. I do not seem to have a copy of the Voting Agreement. Would you provide me with a copy?

Waiting for your early response.

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

From: Ron Hrynyk <ron@hrcorpstrategies.com>
Date: May 12, 2021 at 9:11:22 PM EDT
To: Nicole Clouthier <nicoleclouthier@rocketmail.com>, Esmond Clouthier <twelve12invest@gmail.com>, Walter Steven Lunn <stevelunn60@gmail.com>
Subject: Put Option Documentation for ROGC

Steve, Esmond and Nicole

Steve, thank you for your email the other day. I see a new email from Nicole this evening which I shall respond to separately.

To confirm I take it from the various correspondence and emails that Nicole did not reach out to counsel to paper the changes to the referenced "extension" document that she contemplated, and nothing has been documented in respect to that matter. We relied on her representations that she was in contact with Corporate Counsel on these documents and are disappointed that this did not occur.

I understand from the responses that there was no notice of cancellation of the Put Option. I also had asked Nicole to provide me with a copy of the Voting Agreement referred to in section 4.2(c) of the Share Purchase Agreement. Based upon your response I confirm that you have indicated that there is no such Voting Agreement was attached to the Share Purchase Agreement.

I also understand that Nicole did all the drafting of the legal agreements. Given that Corporate counsel has indicated they are unaware of these documents I will assume that Corporate counsel was never consulted on the matter and has not seen any of the documents prepared therein. This is very concerning as I relied on her statements that she was consulting Corporate counsel. I do not believe that Nicole is currently licensed to practise law in Canada (you can correct me if i am wrong).

In addition, there was no Shareholders Agreement attached to the Share Purchase Agreement dated the 29th of March.

I would like to find a solution to moving this issue forward; however, we have a number of items of concern that I will need some time to have this reviewed by counsel before anyone takes a position on the issues herein. In order to move forward with this. I have a number of serious concerns about the documentation and drafting which creates issues for all of us and may disadvantage certain Shareholders. This is a very big legal mess.

I note too that Jacquie Boddaert and Ron Hrynyk are named along with Tw1 Oaks as Shareholders but were never added as signatories to the agreement. Certainly, they never received notices and generally have been disadvantaged as a result. I am not sure if this was purposeful or not as Nicole is a shareholder in TW1 and certainly one could interpret the drafting in this manner could be biased. Clearly there is a potential conflict of interest in the drafting of this document by a Shareholder, not properly including other Shareholders and the lack of inclusion of corporate Counsel.

I have set out below the various points and concerns. Based on the below I think that the position would prevail is that Royal Oaks was the beneficiary of the funds and the shares are non-voting shares; however, I will need some time to consult yet again with legal counsel.

I would caution any party from taking precipitous actions before we hear back from counsel which is expected in a reasonably short timeframe.

Please see a summary of clauses and concerns below.

In the Agreement	Concerns
<ul style="list-style-type: none"> The parties to the Agreement appear to be : Royal Oaks Golf Club Inc (Seller) , Walter Steve Lunn (Purchaser) , HR Corporate Strategies Ltd (HR Corporate), TW1 Oaks Inc (TW1 Oaks). Then we have "Ron" and "Jacquie" and TW1 Oaks who are collectively the "Shareholders". 	<ul style="list-style-type: none"> We can assume that Ron is Ron Hrynyk and Jacquie is Jacquie Boddaert but they are also not signatories to the Agreement which is very concerning and problematic. Very concerning that Ron and Jacquie were not a signatory to the agreement but were made individually a party to the agreement with some rights and obligations as may or may not be interpreted and may or may not have been disadvantaged as a result.
<ul style="list-style-type: none"> Royal Oaks is the "Seller" and the beneficiary of the \$500,000.00 in funds 	
<ul style="list-style-type: none"> 2.4 a) On the first anniversary of closing The "Purchaser" Walter Steve Lunn has the right (but not the obligation) to Put the shares to each of the Sellers and the Shareholders by written notice within a period of 10 days of the anniversary date ("the Put Option date") which appears to be March 29 2019. 	<ul style="list-style-type: none"> There was no written notice provided to the Shareholders under the agreement in 2019 An email was sent indicating that paperwork would follow on an extension but no paperwork ever followed. Legally the Put Option was not exercised and therefore was cancelled under 2.4 c) and theoretically 2.5 applies

<ul style="list-style-type: none"> 2.4 b) The Seller and/or Shareholders either separately or collectively shall purchase the Purchased Shares... and shall cause the closing to be within thirty (30) days after the end of the Put Option period set out in Section 2.4 (a) above. 	<ul style="list-style-type: none"> It appears that the Seller and/or the Shareholders either separately or collectively shall purchase the shares from the Purchaser. Very concerning about the ambiguity in this statement as to the obligations or how much each of these parties may or may not purchase or have a legal obligation or right to purchase?
<ul style="list-style-type: none"> Where the Put option is not exercised under Section 2.4a) and b) the parties acknowledge that the Put Option shall be cancelled and that the terms and conditions of Section 2.5 shall apply to the Purchased Shares 	<ul style="list-style-type: none"> We note that there is no notice of exercise of the Put Option Agreement to the Shareholders, therefore under the agreement (Section 2.4 c) the Put Option should be cancelled and conditions of 2.5 apply to the Purchased Shares which would see the shares have full voting rights with entry into SHA under certain conditions.. Further to the various emails we note that there was no notice of cancellation of the Put Option Agreement and therefore under this clause section 2.5 applies but this is in direct conflict with section 2.6
<p>In Section 2.6 the Agreement indicates that unless and Until the Put Option is cancelled pursuant to Section 2.5 above, the Purchaser acknowledges and agrees that the Purchased shares shall be deemed to be non-voting shares and that it shall not have the benefit of any rights under the Shareholder Agreement. <i>...with further clarification of the legend to be put on the shares</i></p>	<ul style="list-style-type: none"> The Put Option has not been cancelled and therefore we can determine from this section that the shares are deemed to be non-voting shares and that it shall not have the benefit of any rights under the Shareholder Agreement. Furthermore, there was no form of Shareholders Agreement attached as Exhibit A provide to the Shareholders

Kindly govern yourselves accordingly,

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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From: Ron Hrynyk <ron@hrcorpstrategies.com>
Subject: Put Option - Steve Lund Assessment and understanding May 13, 2021 -
Date: May 13, 2021 at 8:45:32 AM EDT
To: Walter Steven Lunn <stevelunn60@gmail.com>, Esmond Clouthier
<esmond.clouthier@royaloaks.nb.ca>, Esmond Clouthier <twelve12invest@gmail.com>, Nicole
Clouthier <nicoleclouthier@rocketmail.com>

Steve, Esmond & Nicole

Given the fury of emails sent yesterday, please READ this response as my email sent last evening was the wrong one:

Steve, Esmond and Nicole

Thank you Steve for your email.

To confirm I take it from the various correspondence and emails that Nicole did not reach out to counsel to paper the changes to the referenced "extension" document that she contemplated, and nothing has been documented in respect to that matter.

I understand from the responses that there was no notice of cancellation of the Put Option.

I also had asked Nicole to provide me with a copy of the Voting Agreement referred to in section 4.2(c) of the Share Purchase Agreement. Based upon your response I confirm that you have indicated that no such Voting Agreement was attached to the Share Purchase Agreement.

I also understand that Nicole did all the drafting of the legal agreements. Given that Corporate counsel has indicated they are unaware of these documents I will assume that Corporate counsel was never consulted on the matter and has not seen any of the documents prepared therein. This is concerning as I relied on her statements that she was consulting Corporate counsel.

In addition, there was no Shareholders Agreement attached to the Share Purchase Agreement dated the 29th of March.

I would like to find a solution to moving this issue forward; however, we have a number of items of concern that I will need to have reviewed by counsel in order to move forward with this. I have a number of serious concerns about the documentation and drafting which creates issues for all of us and may disadvantage certain Shareholders. This is a very big legal mess.

I note too that Jacquie Boddaert and Ron Hrynyk are named along with Tw1 Oaks as Shareholders but were never signatories to the agreement. Certainly, they have been disadvantaged as a result.

I have set out below the various points and concerns:

In the Agreement	Concerns
<ul style="list-style-type: none"> The parties to the Agreement appear to be : Royal Oaks Golf Club Inc (Seller) , Walter Steve Lunn (Purchaser) , HR Corporate Strategies Ltd (HR Corporate), TW1 Oaks Inc (TW1 Oaks). Then we have "Ron" and "Jacquie" and TW1 Oaks who are collectively the "Shareholders". 	
<ul style="list-style-type: none"> We can assume that Ron is Ron Hrynyk and Jacquie is Jacquie Boddaert but they are also not signatories to the Agreement which is very concerning and problematic. Very concerning that Ron and Jacquie were not a signatory to the agreement but were made individually a party to the agreement with some rights and obligations as may or may not be interpreted and may or may not have been disadvantaged as a result. 	

- Royal Oaks is the "Seller" and the beneficiary of the \$500,000.00 in funds

- 2.4 a) On the first anniversary of the Closing Date plus 10 Business days (the "Put Option Date") the "Purchaser", Walter Steve Lunn, had the right (but not the obligation) to Put the shares to each of the Seller and/or the Shareholders by written notice.
- "Closing Date" was defined to be March 29, 2019 and therefore the Put Option Date expired on April 9, 2020, being 10 business days after the first anniversary date of March 29, 2020.
- 2.4(c). If put option not exercised, then the provisions of Section 2.5 shall then apply to the 125,667 common shares owned by Steve Lunn
- Section 2.5 requires Lunn to give "reasonable notice" of the cancellation of the put option, in which case the 125,667 common shares would be recognized as having full voting shares.
- There was no written notice to exercise the put option provided to anyone prior to its expiration on April 9, 2020
- An email was sent by Nicole Clouthier to Ron Hrynyk on April 10, 2020 (one day after the Put option rights expired) asking Ron if he would confirm a so called "extension" of the put option to Steve Lunn and advising Ron if he agreed she would have legal counsel paper the transaction. Steve Lunn was not a party to that email.
- You can't extend something that has expired and there was nothing papered by legal counsel to reflect this so called "extension".
- Section 2.4(c) states that the provisions of Section 2.5 shall apply if the put option was not exercised. No "reasonable notice" or any notice of cancellation of the put option was given, as required by Section 2.5, and therefore the 125,667 common shares did not acquire voting rights under section 2.5.
- In the event that the put option was renewed by a new agreement or otherwise, a scenario that we do not accept or reject (still reviewing documentation), then Section 2.4 b) enabled Lunn to "put" the 125,667 common shares to ROGC and/or the Shareholders either separately or collectively... and shall cause the closing to be within thirty (30) days after the end of the Put Option period set out in Section 2.4 (a).
- It appears that ROGC and/or the Shareholders (as defined therein) either separately or collectively were potentially obligated to purchase the shares from Lunn should there have been a valid exercise of the put option. Regardless of that issue, and assuming for argument that the put option was valid in 2021 (a position which we do not accept or reject), the "put" was given on March 29, 2021. There is therefore a question on whether the put option was valid in 2021.
- The "put" notice on March 29, 2021, (valid or not) was only given to the "Shareholders", presumably as defined in the agreement. i.e. Ron, Jacquie and TW1 Oaks. See email of March 29, 2021 from Steve. It commences with "Dear Shareholders" and then continues and purports to exercise the put option. Nothing "put" to ROGC.
- Very concerning about the validity and ambiguity in this agreement as to the obligations, if any, or how much each of these parties may or may not purchase or have a legal obligation or right to purchase, in the event that the put option was still effective on March 29, 2021.
- Where the Put option is not exercised under Section 2.4a) and b) the parties acknowledged (2.4(c)) that the put option shall be cancelled and that the terms and conditions of Section 2.5 shall apply to the Purchased Shares.
- Section 2.5 requires "reasonable notice" of the cancellation of the Put Option for the 125,667 common shares to have voting rights.
- We note that there is no notice (reasonable or otherwise) of cancellation of the put option to ROGC or to the Shareholders in 2020.
- If the Put Option expired in 2020, Section 2.4(c) states that that the put option was therefore cancelled and the provisions of section 2.5 apply which require "reasonable notice" of cancellation.
- Because the put option not cancelled by "reasonable notice" the remaining provisions of Section 2.5 cannot apply, and therefore we question how the 125,667 common shares could have voting rights

In Section 2.6 the Agreement indicates that **unless and until the Put Option is cancelled pursuant to Section 2.5 above**, the Purchaser acknowledges and agrees that the Purchased shares shall be deemed to be non-voting shares and that it shall not have the benefit of any voting rights under the Shareholders Agreement. ... *with further clarification of the legend to be put on the shares*

- The Put Option has not been cancelled pursuant to Section 2.5 (requires reasonable notice) and therefore we can determine from this section that the shares are deemed to be non-voting shares and that they shall not have the benefit of any voting rights under the Shareholders Agreement.
- All very confusing,

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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On May 15, 2021, at 10:40 AM, Walter Steven Lunn <stevelunn60@gmail.com> wrote:

Ron

I am a surprised and disappointed by the contents of your rather disingenuous email. Whilst It is somewhat wordy the only question that needs answering is: is the Put Option valid - the answer is a clear Yes. Particularly given the fact that you have been acting on the basis that It had been extended, and only now question its validity. The rest of your email is mere noise, I question your intent to honor the Put Option. If this your attempt to weasel out of your obligations please be decent enough to let me know, I will then take appropriate actions.

Regards,

Steve Lunn

On May 13, 2021, at 5:45 AM, Ron Hrynyk <ron@hrcorpstrategies.com> wrote:

Steve, Esmond & Nicole

Given the fury of emails sent yesterday, please READ this response as my email sent last evening was the wrong one:

Steve, Esmond and Nicole

Thank you Steve for your email.

To confirm I take it from the various correspondence and emails that Nicole did not reach out to counsel to paper the changes to the referenced "extension" document that she contemplated, and nothing has been documented in respect to that matter.

I understand from the responses that there was no notice of cancellation of the Put Option.

From: Steve Lunn <stevelunn60@gmail.com>
Subject: Re: Hello Steve- Re ROGC put option discussion
Date: May 22, 2021 at 10:40:37 AM EDT
To: Ron Hrynyk <ron@hrcorpstrategies.com>
Cc: Nicole Clouthier <twelve12invest@gmail.com>, Esmond Clouthier <esmond.clouthier@royaloaks.nb.ca>, Jacquie Boddaert <jboddaert1@gmail.com>

Ron

This is becoming tiresome. The agreement is not a legal mess as you continue to argue. Can you please be honest enough to give me your proposal as to how you will settle my Put Option.
Thank you Steve

Sent from my iPhone

On May 21, 2021, at 2:00 PM, Ron Hrynyk <ron@hrcorpstrategies.com> wrote:

Hello Steve,

I am in receipt of your request for communication. I had indicated in my previous email that I wanted to move these issues forward and needed just a little time to review the issues presented in my last email as the agreements are a legal mess. It took months to gain clarity on the few questions I was asking and I am looking for just a little time to sort through the issues.

I will be back to you next week with clarity.

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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From: Ron Hrynyk <ron@hrcorpstrategies.com>
Subject: Re: "Special Shareholders Meeting Royal Oaks Golf Club Inc."
Date: May 28, 2021 at 2:37:09 PM EDT
To: Walter Steven Lunn <stevelunn60@gmail.com>
Cc: Esmond Clouthier <twelve12invest@gmail.com>, Nicole Clouthier <Nicole.Clouthier@royaloaks.nb.ca>, Bruce Johnson <bjohnson@ejp.ca>, Josie Marks <jmarks@stewartmckelvey.com>, Robert Basque <grbasque@forbesrothbasque.nb.ca>, Jacquie Boddaert <jboddaert1@gmail.com>

Steve,

I am in receipt of your email below and advise as follows:

1. I attempted to point out to you my concerns about the provisions of the Put Option contained in the Share Purchase Agreement dated March 29, 2019 (the "**Agreement**") and the events subsequent thereto in my email to you dated and sent on May 13, 2021.
2. As mentioned, should you have the right to put your 125,667 common shares, a position about which we do not take any stance, then it is a question of who it is that they were put.

3. Your email purporting to exercise the put on March 29th was addressed to the "Shareholders" who were defined in the Agreement as Ron, Jacquie and TW1 Oaks Inc.
4. As previously mentioned, Jacquie and I are not signatories to the Agreement. Therefore we are perplexed about who the put was made and in what proportion.

As a director of one of the world's largest companies I am sure that you are fully familiar with legal issues and the need to have them clarified before proceeding.

Accordingly, would you mind clarifying to me to whom you allege you exercised the put and in what proportion?

I await your early response.

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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On May 28, 2021, at 10:18 AM, Steve Lunn <stevelunn60@gmail.com> wrote:

Ron

Having been a director of one of the world's largest companies I had no interest in becoming a director in ROGC, however as it may be in the best interest of the business then I would be happy to help.

All this legal advice must be costing you a tidy sum but it doesn't disguise the fact that I exercised my Put Opinion in accordance with our agreement - under which you are obligated to honor the Put Option.

Since exercising the option on 29 March you have failed, despite my repeated requests, to provide your proposal(s) as to how you will honor your part. Unless you provide your proposal(s) within one week it is likely to cost you a great deal more.

Regards

Steve Lunn

Sent from my iPhone

On May 27, 2021, at 2:00 PM, Ron Hrynyk <ron@hrcorpstrategies.com> wrote:

Please see Notice of Special Shareholders Meeting , Royal Oaks Golf Club Inc. sent again including correct email for Mr. Robert Basque who was CC.

Begin forwarded message:

From: Ron Hrynyk <ron@hrcorpstrategies.com>
Subject: "Special Shareholders Meeting Royal Oaks Golf Club Inc."
Date: May 27, 2021 at 4:49:34 PM EDT
To: Esmond Clouthier
 <twelve12invest@gmail.com>, Nicole Clouthier
 <nicole.clouthier@royaloaks.nb.ca>, Esmond
 Clouthier <esmond.clouthier@royaloaks.nb.ca>,
 Walter Steven Lunn <stevelunn60@gmail.com>
Cc: Bruce Johnson <bjohnson@ejp.ca>, Josie
 Marks <jmarks@stewartmckelvey.com>,
 <grbasque@forbesrothbasque.ca>

<Notice May 27, 2021.pdf>

All

Please see notice attached, Notice

Regards

Ron Hrynyk

ron@hrcorpstrategies.com

Cell # 416 301 2564

This email may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this email or the information it contains by other than an intended recipient is unauthorized. If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

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From: Ron Hrynyk <ron@hrcorpstrategies.com>
Sent: Thursday, May 27, 2021 5:50 PM
To: Esmond Clouthier; Nicole Clouthier; Esmond Clouthier; Walter Steven Lunn
Cc: Bruce Johnson; Josie Marks; grbasque@forbesrothbasque.ca
Subject: "Special Shareholders Meeting Royal Oaks Golf Club Inc."
Attachments: Notice May 27, 2021.pdf

Tessian Warning

Take care, the email's sending domain "**@hrcorpstrategies.com**" has never been seen on your company's network before today.

This warning message will be removed if you reply to or forward this email to a recipient outside of your organization.

This is an external email.

All

Please see notice attached, Notice

Regards

Ron Hrynyk
ron@hrcorpstrategies.com

Cell # 416 301 2564

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NOTICE

DATE: May 27, 2021

VIA EMAIL TO:

HR Corporate Strategies Inc.
 TW1 Oaks Inc. c/o Nicole Clouthier
 Nicole Clouthier
 Royal Oaks Golf Club
 Walter Stephen Lunn
 Esmond Clouthier

COPIED BY EMAIL TO:

R. Bruce Johnson
 Josie Marks, Esq.
 G. Robert Basque, Q.C.

The undersigned is in receipt of a "Notice of Special Meeting of Shareholders" dated and received on May 20, 2021 of Royal Oaks Golf Club Inc. ("ROGC") to be held on Wednesday, June 2, 2021 at 3:00 pm, Atlantic Time.

I understand the purpose of this meeting is to consider and, if thought fit, pass a resolution appointing Walter Stephen Lunn ("Lunn") as a director of ROGC.


The undersigned, HR Corporate Strategies Inc., objects to the appointment of Lunn for the following reasons:

1. THAT Patrick and Aline Miniutti delivered a notice (the "Conversion Notice") to convert 100,000 Class C Preferred Shares (the "Miniutti Shares") in the capital of ROGC on March 19, 2021;
2. THAT the Conversion Notice had attached to it an attachment to a Shareholders Agreement (the "Shareholders' Agreement") dated March 29, 2019 between ROGC, TW1 Oaks Inc., and the undersigned;

3. **THAT** solicitor Ehrhardt was directed to cause the conversion (the "Conversion") of the Minetti Shares into 100,000 common shares of ROGIC;
4. **THAT** TW1 Oaks, Lsmnd and Nicole Clostvier prevented the Conversion by wrongfully interfering;
5. **THAT** Patrick and Alpe Minetti nominated a director of ROGIC pursuant to Section 3.01 of the Shareholders' Agreement, as at March 19, 2021;
6. **THAT** Section 3.01 of the Shareholders' Agreement limits the number of directors of ROGIC to 3, all of which have been filled;
7. **THAT** the election of Lunn as a director is in violation of Section 3.01 of the Shareholders' Agreement;
8. **THAT** the remaining director of ROGIC, after a conflict of interest was declared, passed a Resolution on April 26, 2021 authorizing and directing ROGIC to convert the Minetti Shares into 100,000 common shares of ROGIC;
9. **THAT** a hearing into the validity of the Conversion Notice is pending; and
10. **THAT** the undersigned will hold any director personally liable for all damages sustained by it from their wrongful actions as a director of ROGIC, including decisions made from being in a conflict of interest.

HR CORPORATE STRATEGIES INC.

Per:


 Ronald B. Smith,
 President

From: G. Robert Basque <grbasque@forbesrothbasque.nb.ca>
Sent: Thursday, May 27, 2021 3:16 PM
To: Ron@hrcorporatestrategies.com; Twelve12invest@gmail.com;
Nicole.Clouthier@royaloaks.nb.ca; esmond.clouthier@royaloaks.nb.ca; Stevelunn60@gmail.com
Cc: Josie Marks; Bruce Johnson; G. Robert Basque
Subject: Royal Oaks Notice - 5.26.21.pdf
Attachments: Royal Oaks Notice - 5.26.21.pdf

This is an external email.

I am sending this on behalf of Patrick and Aline Miniutti.

NOTICE

May 26, 2021

VIA EMAIL TO:

HR Corporate Strategies
TW1 Oaks Inc.
Nicole Clouthier
Royal Oaks Golf Club
Esmond Clouthier
Walter Stephen Lunn

Ron@hrcorpstrategies.com
twelve12invest@gmail.com and
nicoleclouthier@rocketmail.com,
esmond.clouthier@royaloaks.nb.ca
esmond.clouthier@royaloaks.nb.ca
Stevellunn60@gmail.com

COPIED BY EMAIL TO

R. Bruce Johnson, Esq.
Josie Marks, Esq.
G. Robert Basque, Q.C.

bruce.johnson@ejp.ca
jmarks@stewartmckelvey.com
grbasque@forbesrothbaque.nb.ca

WHEREAS it has been brought to the attention of the undersigned that a purported Special Meeting of shareholders has been called for the alleged purpose of appointing Walter Stephen Lunn as a director of Royal Oaks Golf Club Inc. (the "Corporation");

AND WHEREAS the undersigned have converted their 100,000 preferred shares in the Corporation into 100,000 common shares in the Corporation (the "conversion");

AND WHEREAS no notice of meeting has been served on the undersigned;

AND WHEREAS the undersigned are signatories to the Unanimous Shareholder Agreement ("USA") between the shareholders in the Corporation;

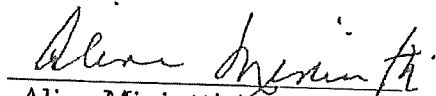
AND WHEREAS a hearing into the issue of the conversion is pending (the "Application");

TAKE NOTICE THAT the undersigned:

- 1) Consider themselves to be the holders of 100,000 common shares in the Corporation;
- 2) Are required to receive 21-days notice of any meeting of shareholders in accordance with article 40 of By-law No. One of the Corporation;

- 3) Object to the holding of any Special Meeting without having received proper notice;
- 4) Pursuant to section 3.01 of the USA, claim the right to nominate a director of the Corporation, which they have done;
- 5) Demand delay of any meeting to appoint further directors until the hearing into the Application has been concluded;
- 6) Will hold personally liable any person purporting to act as a director of the Corporation before the hearing into the Application.


Patrick Miniutti


Aline Miniutti

Royal Oaks Golf Club Inc. (the "Company")

Shareholders' Meeting

Held June 2nd, 2021 at 3pm Atlantic time (2pm EST)

By video conference

Minutes of Meeting

A Special Meeting of the Shareholders of Royal Oaks Golf Club Inc., was held on June 2, 2021, at 3pm Atlantic time, 2pm EST by teleconference / virtual meeting (the "**Meeting**").

1. Present was:

TW1 Oaks Inc., by its principal, Nicole Clouthier

Walter Steven Lunn, by his proxy, Nicole Clouthier

Also present:

Esmond Clouthier, President, Royal Oaks Golf Club

2. The Meeting was called to order and it was determined by the Chairman that:

- (a) Notice of the Meeting had been properly given in accordance with the bylaws and the New Brunswick Business Corporations Act.
- (b) The Meeting was recorded for purposes of the minutes and a copy may be obtained by request in writing to the President of the Company.
- (c) The Company had elected under its bylaws that Esmond Clouthier, as acting President, take the role of chairman at the Meeting.
- (d) Nicole Clouthier is appointed as temporary secretary for the Meeting only in order to transcribe the minutes.
- (e) A proxy was deposited with the President and Chairman on May 31st, 2021 at 12.38pm EST and signed by Mr Walter Steven Lunn, appointing Nicole Clouthier to attend and act for and on behalf of Mr Walter Steven Lunn at the Meeting and any adjournment thereof. Such proxy was prepared in accordance with section 44 of the company's by-laws and deposited in accordance with section 91(5) of the New Brunswick Business Corporations Act.

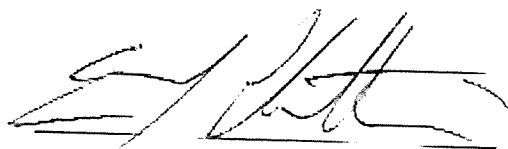
3. Shareholders in attendance at the Meeting were:

- (a) TW1 Oaks Inc. holding 218,000 common shares
- (b) By proxy, Mr Walter Steven Lunn, holding 125,667 common shares.

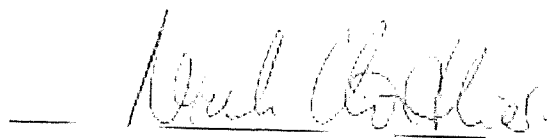
E.C.
JL

4. Chairman confirmed that a quorum was present.
5. There was only one item on the agenda at the Meeting which was to consider and approve the Shareholders' Resolution which accompanied the notice of the Meeting and which was read in full and is attached hereto for ease of reference (the "**Resolution**").
6. The Chairman recorded the vote of each of the Shareholders present in person or by proxy on the Resolution presented.
7. It being recorded that Shareholders representing together 343,667 common voting shares, and in accordance with the Company's by-laws, section 10, a majority of the recorded common shares carried the vote and that Mr Walter Steven Lunn is therefore hereby elected and appointed as Director of the Company effective as at June 2, 2021.
8. There being no further business, and upon the motion made and carried by majority, it was RESOLVED, that the Resolution was approved and adopted.
9. There being no further business the Meeting was adjourned.

Dated: June 3, 2021



Signed by Esmond Clouthier in his capacity as Chairman

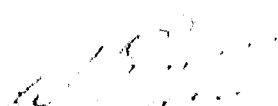


Signed by Nicole Clouthier in her capacity as temporary Secretary for the Meeting

PROXY FORM

The undersigned shareholder of Royal Oaks Golf Club Inc. hereby appoints **Nicole Clouthier** of 167 Brule Trail, King, Ontario or failing her, **Esmond Clouthier** of 167 Brule Trail, King, Ontario as the nominee of the undersigned to attend and act for and on behalf of the undersigned at the Special Meeting of the shareholders of said Corporation to be held on the 2nd day of June, 2021, and at any adjournment thereof to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment thereof.

Dated the 31 day of May, 2021



Signature of Shareholder

ROYAL OAKS GOLF CLUB INC.

Notice of Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that a Special Meeting of the Shareholders (the "Meeting") of Royal Oaks Golf Club Inc. (the "Corporation") will be held at 401 Royal Oaks Boulevard in Moncton, New Brunswick on Wednesday, June 2nd, 2021 at 3:00 p.m. (Atlantic time) for the following purposes:

1. to consider and, if thought fit, pass a resolution appointing Walter Stephen Lunn as a director of the Corporation.

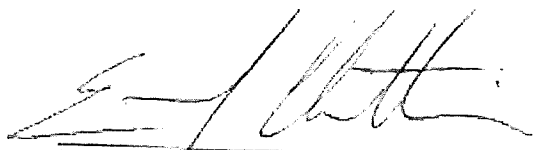
The full text of the special resolution to be submitted to the Meeting is attached as Appendix "A" (the "Special Resolution").

Due to COVID-19 restrictions, telephone participation is anticipated. Shareholders not attending in person may participate by telephone in accordance with the details below:

Telephone/Video dial in
(copy of which is circulated by email to Shareholders for ease of access):

<https://meet.google.com/htj-czir-nmf>

DATED May 20, 2021.



Esmond Clouthier
President

APPENDIX A

ROYAL OAKS GOLF CLUB INC.
(the "Company")

SHAREHOLDERS' RESOLUTION

WHEREAS the Shareholders of the Company are party to a shareholders agreement dated March 29, 2019 (the "**Shareholders Agreement**");

AND WHEREAS section 3 of the Shareholders Agreement provides that the Board of Directors of the Company shall be composed of 3 directors;

AND WHEREAS there are currently only 2 directors of the Company;

AND WHEREAS the vacancy on the Board causes decision-making deadlock when the 2 directors cannot agree;

BUT IT RESOLVED THAT:

1. Walter Steven Lunn is hereby elected and appointed as a director of the Company effective June 2, 2021.
2. After giving effect to the foregoing, the directors of the Company are, and shall, until the next annual or ordinary meeting of the Company or until their successors are elected and appointed, continue to be:

Esmond Clouthier
Ronald Hrynyk
Walter Stephen Lunn

Royal Oaks Golf Club Inc.

Minutes of Meeting of the Board of Directors

Thursday, June 10th, 2021 @ 2pm EST by Tele/Video Conference

MINUTES OF A MEETING OF DIRECTORS (the "Minutes") of Royal Oaks Golf Club Inc. (the "Corporation"), held via video/tele conference on this 10th day of June, 2021 at 2pm (EST)

1. The Chairperson called the meeting to order.
2. Attendees: The following members were present, constituting the entire board of the Corporation (the "Board");
 - i) Ronald Hrynyk ("RH")
 - ii) Esmond Clouthier ("EC")
 - iii) Walter Steven Lunn ("WSL")
3. Chairperson - EC, in his capacity as President, acted as "Chairperson" in accordance with the by-laws of the Corporation
4. Chairperson agreed that the Minutes record RH's objections in line with a notice circulated by RH on June 8th, 2021, a copy of which is appended hereto. Chairman noted that the Board is not here to adjudicate matters between the shareholders.
5. Chairperson noted that a quorum was present.
6. Re: Item IV of the Agenda: Approval of Minutes of Meeting held April 26th, 2021 - approval of the minutes of meeting held April 26th, 2021 was not obtained on the basis that the referenced minutes had not been re-circulated for the benefit of WSL as previously requested by EC in preparation for the Meeting and that the Board had not received corrections requested previously by EC from RH. RH to re-circulate the minutes of meeting held April 26, 2021 to the Board for approval.

IT WAS RESOLVED THAT:

7. Item V of the Agenda: Business Items -
 - (1) Removal of Ronald Hrynyk as Secretary and Treasurer of Royal Oaks Golf Club Inc. - Motion being carried by majority votes of the Board, RH is removed as

Secretary and Treasurer of the Corporation effective immediately. (Votes recorded: RH - not approved; WSL - approved; EC - approved.)

- (2) Appointment of Nicole Clouthier ("NC") as Secretary and Treasurer of Royal Oaks Golf Club Inc. - Motion being carried by majority votes of the Board, NC is appointed as Secretary and Treasurer of the Corporation effective immediately. (Votes recorded: RH - not approved; WSL - approved; EC - approved.)
- (3) Approval of the 2020 Financial Statements subject to item (4) below - Motion being carried by majority votes of the Board, the 2020 Financial Statements are approved and to be issued subject to the below ongoing review. (Votes recorded: RH - not approved; WSL - approved; EC - approved.)
- (4) Authorization to continue to review certain items of the 2020 Financial Statements and, if resolved and agreed in line with the Corporation's corporate authorizations and requirements, to issue a restatement of previous year's/ years' financial statements as may be required, in particular on items as to whether:
 - a. Capital contributions made in 2020 in total amount of \$205,032.52 recorded as shareholder loans in the ledgers of HR Corporate Strategies Inc. and TW1 Oaks Inc. is to be recorded as a loan extended by 2246329 Ontario Inc. to the Corporation;
 - b. Capital contribution made in 2019 in an amount of \$250,000 recorded as shareholder loan in the ledger of TW1 Oaks Inc. is to be recorded as a third party loan and/or whether interest payments are to be made from the Corporation direct to Chris Long; and
 - c. Reconciliation of Shareholder ledgers in line with invoices received and previous agreements.

It being acknowledged by the Board that certain of the above items may require shareholder approval and/or third party input and/or consent, such as for example CWB Maxium Financial Inc and/or Grant Thornton, and that the Board may make such recommendations to the shareholders following agreement on above as the Board may deem appropriate.

Motion being carried by majority votes of the Board that the above items continue to be reviewed and actions necessary are taken following such review. (Votes recorded: RH - not approved; WSL - approved; EC - approved.)


(5) Motion being carried by majority votes of the Board, the following changes to TD Bank Account signing authorities are made effectively immediately:


- a. Chris Medford, as General Manager, is authorized and appointed a (B) signatory to the Corporation's TD Bank Account;
- b. Nicole Clouthier, is authorized and appointed to be an (A) signatory to the Corporation's TD Bank Account; and
- c. All other remaining signing authorities are to remain in place.

(Votes recorded: RH - not approved; WSL - approved; EC - approved.)

(6) Motion being carried unanimously by the Board, Bingham Law, in particular, Edwin (Ted) Ehrhardt, is appointed as Corporate Counsel to the Corporation on an 'as and when needed' basis with immediate effect and as may be instructed from time to time by the Corporation, and with an initial retainer being paid to Bingham Law, such retainer anticipated to be around \$10,000.

8. There being no new business or any other matters raised before the Meeting, the Meeting was adjourned.

Signed:  (Chairperson) Date: JUNE 14, 2021.

Signed:  (Secretary) Date: 14/6/21

NOTICE

DATE: June 9, 2021

VIA EMAIL TO:

HR Corporate Strategies Inc.

ron@hrcorporatestrategies.com

TW1 Oaks Inc. c/o Nicole Clouthier

tw1oaks@tw1oaks.com

Nicole Clouthier

Nicole.Clouthier@tw1oaks.com

Royal Oaks Golf Club

general@royaloksgolfclub.com

Walter Stephen Lunn

steve@wslunn.com

Esmond Clouthier

esmond@tw1oaks.com

COPIED BY EMAIL TO:

R. Bruce Johnson

rbjohnson@robcjohnson.com

Josie Marks, Esq.

jmarks@robcjohnson.com

G. Robert Basque, Q.C.

robert@robcjohnson.com

The undersigned, Ronald Hrynyk, is in receipt of a "Notice of Meeting of Board of Directors" dated and received on June 7, 2021 of Royal Oaks Golf Inc. ("ROGC") to be held on Thursday, June 10, 2021 at 2:00 pm (EST) (the "Directors' Meeting").

I am also in receipt of documentation entitled "Minutes of Meeting" (the "Impugned Meeting") of ROGC "Held on June 7th, 2021 at 3 pm Atlantic Time (2 pm EST) By Video Conference" with an attached Appendix A purporting to elect Walter Steven Lunn as a director of ROGC.

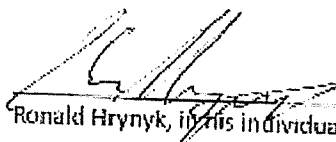
HR Corporate Strategies Inc. previously objected to the Impugned Meeting by notice dated and sent on May 27, 2021.

The undersigned and HR Corporate Strategies Inc. hereby give further notice of objection to the Impugned Meeting on the basis that it did not comply with section 84(1) of the *Business Corporations Act* (NB). The notice of the Impugned Meeting dated May 20, 2021 gave notice of a meeting to be held at 401 Royal Oaks Boulevard in Moncton, New Brunswick; however, no such meeting was convened at that location. We understand that the Impugned Meeting was held solely by video conference from Ontario. Section 84(1) requires meetings of the shareholders of a corporation to be held within the province of New Brunswick. As you are aware, HR Corporate Strategies Inc. was not represented at the Impugned Meeting and therefore advise that the Impugned Meeting was unlawful and all business that the shareholders who attended and

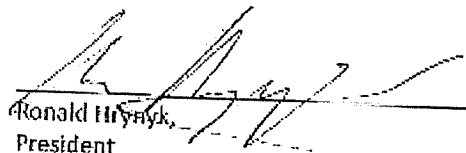
purported to pass, was also unlawful. That would include the appointment of Walter Steven Lunn as a director of ROGC.

Be advised that the undersigned director, Ronald Hrynyk, and the undersigned shareholder, HR Corporate Strategies Inc., object to the following business contemplated for the Directors' Meeting:

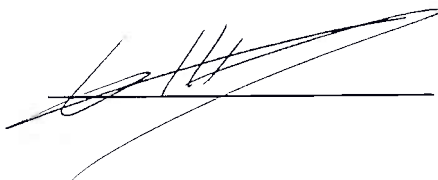
1. to the attendance of Walter Steven Lunn on the basis that Mr. Lunn was unlawfully appointed a director at the Impugned Meeting;
2. to the removal of Ronald Hrynyk as Secretary and Treasurer of ROGC on the basis that such removal is in direct conflict with Article 3.09 of a Shareholders' Agreement (the "Shareholders' Agreement") between TW1 Oaks Inc., HR Corporate Strategies Inc. and ROGC dated March 29, 2019;
3. to the appointment of Nicole Clouthier, as Secretary-Treasurer of ROGC on the basis that such an appointment conflicts with the provisions of Article 3.09 of the Shareholders Agreement;
4. to the approval of the 2020 Financial Statements on the basis that they have not been provided with copies of documentation requested to support the statements;
5. to the appointment of Chris Medford as a signatory to ROGC's TD Bank Account on the basis that it conflicts with Article 3.10 of the Shareholders' Agreement; and
6. to the appointment of Nicole Clouthier as a signatory to ROGC's TD Bank Account on the basis that it conflicts with Article 3.10 of the Shareholders' Agreement.


 Ronald Hrynyk, in his individual capacity

HR Corporate Strategies Inc.


 Ronald Hrynyk,
 President

This is **Exhibit "F"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 25th day of November,
2024, BEFORE ME:

A handwritten signature in black ink, appearing to be "R. Hrynyk", is written over a horizontal line.

Court File No. MC-314-2021

IN THE COURT OF KING'S BENCH OF
NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

B E T W E E N:

TW1 OAKS INC.,

Plaintiff,

- and -

**RONALD HRYNYK and HR
CORPORATE STRATEGIES INC.,**

Defendants,

- and -

**ESMOND CLOUTHIER, STEPHEN
LUNN, TWELVE12 INVESTMENTS
AND CONSULTANCY INC., and
ROYAL OAKS GOLF CLUB INC.,**

Parties Added by
Counterclaim.

NOTICE OF COUNTERCLAIM ON
BEHALF OF WALTER STEVEN
LUNN
(Form 27C-2)

TO: Royal Oaks Golf Club Inc.
c/o Edwin (Ted) Ehrhardt
Bingham Law
Marven's Place
1 Factory Lane, Suite 310
Moncton, NB E1C 9M3

COUR DU BANC DU ROI DU
NOUVEAU-BRUNSWICK

DIVISION DE PREMIERE INSTANCE

CIRCONSCRIPTION JUDICIAIRE DE

E N T R E:

Demandeur

- et -

Défendeur

AVIS DE DEMANDE
RECONVENTIONNELLE
(FORMULE 27C-2)

DESTINAIRE:

- 2 -

THE PARTY ADDED BY COUNTERCLAIM, STEVEN LUNN, IN THIS ACTION HAS FILED THE WITHIN COUNTERCLAIM AGAINST YOU;

If you wish to defend the Counterclaim, either you or a New Brunswick lawyer acting on your behalf must prepare your Defence to Counterclaim in the form prescribed by the Rules of Court and serve it on the Party Added by Counterclaim or his lawyer at the address shown below and, with proof of such service file it in this Court office,

(a) If you are served in New Brunswick, WITHIN 20 DAYS after service on you of this Notice of Counterclaim, or

(b) If you are served elsewhere in Canada or in the United States of America, WITHIN 40 DAYS after such service, or

(c) If you are served anywhere else, WITHIN 60 DAYS after such service.

If you fail to do so you may be deemed to have admitted the counterclaim made against you and without further notice to you JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE.

You are advised that:

(a) You are entitled to issue documents and present evidence in the proceeding in English or French or both;

LE DÉFENDEUR DANS CETTE ACTION A DÉPOSÉ LA DEMANDE RECONVENTIONNELLE CI-INCLUSE CONTRE LE DEMANDEUR ET VOUS-MÊME

Si vous désirez présenter une défense à la demande reconventionnelle, vous-même ou un avocat du Nouveau-Brunswick chargé de vous représenter devrez rédiger votre défense reconventionnelle en la forme prescrite par les Règles de procédure, puis la signifier au défendeur ou à son avocat à l'adresse indiquée ci-dessous et la déposer au greffe de cette Cour avec une preuve de sa signification:

(a) DANS LES 20 JOURS de la signification que vous sera faite du présent avis de poursuite accompagné d'une demande reconventionnelle, si elle vous est fait au Nouveau-Brunswick ou

(b) DANS LES 40 JOURS de la signification, si elle vous est faite dans une autre région du Canada ou dans les Etats-Unis d'Amérique ou

(c) DANS LES 60 JOURS de la signification, si elle vous est faite ailleurs.

Si vous omettez de la faire, vous pourrez être réputé avoir admis toute demande reconventionnelle et, sans autre avis, JUGEMENT POURRA ETRE RENDU CONTRE VOUS EN VOTRE ABSENCE.

Sachez que:

(a) Vous avez le droit dans la présente instance, d'émettre des documents et de présenter votre preuve en français, en anglais ou dans les deux langues;

- 3 -

(b) The Party Added by Counterclaim intends to proceed in the English language; and

(c) Your Defence to counterclaim must indicate the language in which you intend to proceed.

THIS NOTICE is signed and sealed for the Court of King's Bench by Sarah Hébert, Clerk of the Court at 145 Assumption Blvd, Moncton, New Brunswick, on the ____ day of _____, 2024.

Sarah Hébert
Clerk of the Court
Judicial District of Moncton

Court of King's Bench of New Brunswick
Trial Division
145 Assumption Blvd.
Moncton, NB E1C 0R2

(b) Le demandeur a l'intention d'utiliser la langue Anglais; et

(c) L'exposé de votre défense doit indiquer la langue que vous avez l'intention d'utiliser.

CET AVIS est signé et scellé au nom de la Cour du Banc de la Reine par _____, greffier de la Cour à _____, ce _____.

- 4 -

STATEMENT OF DEFENCE

1. The Statement of Defence of Counterclaim of Walter Steven Lunn filed June 13, 2022 is incorporated herein by reference.

COUNTERCLAIM OF WALTER STEVEN LUNN

2. The Defendant, Walter Steven Lunn ("Lunn"), of Tucson, Arizona, was added as a party to these proceedings by Counterclaim filed by Ronald Hrynyk ("Hrynyk") and HR Corporate Strategies Inc. ("HR") – who are both Defendants as well as Plaintiffs by Counterclaim.

3. Hrynyk is the directing mind of HR.

4. Royal Oaks Golf Club Inc. ("ROGC") is a body corporate pursuant to the laws of the Province of New Brunswick with registered office at 401 Royal Oaks Blvd., Moncton, New Brunswick. ROGC is added to these proceedings by this counterclaim.

5. HR and the Plaintiff, TW1 Oaks Inc. ("TW1"), are shareholders in ROGC.

6. On March 29, 2019 Lunn entered into a Share Purchase Agreement ("SPA") with ROGC, TW1 and HR. Pursuant to the SPA Lunn purchased 125,667 common shares in ROGC for Five Hundred Thousand Dollars (\$500,000.00).

7. Section 2.4 of the SPA provided Lunn with a "put option" whereby he was entitled to have his shares repurchased by ROGC, TW1 and/or HR for the sum of Five Hundred and Forty Thousand Dollars (\$540,000.00) after one year. Section 2.4 states:

Section 2.4. Put Option: The Seller [ROGC] shall do all acts and execute all such documents to give effect to a put option in respect of the Purchased Shares in favour of the Purchaser [Lunn] as follows:

- (a) On the first anniversary of the Closing Date [March 29, 2019] and within a period of ten (10) Business Days of such anniversary date (the "Put Option Date"), the Purchaser shall have the right, but not the obligation, to put the Purchased Shares to each the Seller and the Shareholders by written notice (the "Put Option"); and
- (b) The Seller and/or the Shareholders either separately or collectively shall purchase the Purchased Shares from the Purchaser at the value of five

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hundred and forty thousand Canadian dollars (C\$540,000) and shall cause the closing of such purchase to be effected within thirty (30) days after the end of the Put Option period set out in section 2.4(a) above.

8. Due to the impact of COVID-19, on March 31, 2020, Lunn was asked by Nicole Cloutier, an officer and director of TW1, to agree to a one (1) year extension of the Put Option on the same terms as stated in the SPA. This proposal was agreed to by HR, ROGC and Lunn.
9. On March 29, 2021, Lunn exercised his Put Option. Between June and December, 2021, Lunn was paid Eighty-Three Thousand Two Hundred and Thirty Dollars (\$83,230.00) in respect of interest/dividends that accrued pursuant to the Put Option between March 29, 2019 and the date the Option was exercised: March 29, 2021. However, in breach of the SPA, ROGC, TW1 and HR have failed to pay Lunn Five Hundred Thousand Dollars (\$500,000.00) in accordance with the Put Option.
10. Lunn therefore claims the following for breach of the SPA against ROGC, TW1 and HR, jointly and severally:
 - i. An Order declaring that ROGC, TW1 and HR are jointly and severally indebted to Lunn for the principal amount of Five Hundred Thousand Dollars (\$500,000.00) plus compound interest accruing at a rate of eight percent per annum (8%) from March 29, 2021 through to the date of judgment;
 - ii. Judgment in favour of Lunn against ROGC, TW1 and HR, jointly and severally for the principal amount of Five Hundred Thousand Dollars (\$500,000.00) plus compound interest accruing at a rate of eight percent per annum (8%) from March 29, 2021 through to the date of judgment;
 - iii. Post-judgment interest;
 - iv. Costs; and
 - v. Such further and other relief as this Honourable Court deems just and expedient.
11. The relief sought hereunder was first requested in the “Statement of Defence of Counterclaim” that Lunn filed on his own behalf on June 13, 2022. The form of that document was incorrect – it should have been in the form of a “Notice of Counterclaim”. Lunn says the use of an improper form was a procedural irregularity that this Honourable Court may correct.
12. Lunn pleads and relies upon s. 21 of the *Limitation of Actions Act*, SNB 2009, c L-8.5.

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13. Lunn intends to proceed in the English Language.

DATED at Saint John, New Brunswick, this 27th day of March, 2024.



Michael D. Brenton, K.C.

Brenton Kean

Solicitors for the Party Added by Counterclaim,
Steven Lunn

BRENTON KEAN

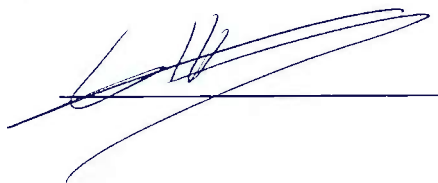
75 Prince William Street, 4th Floor

PO Box 609

Saint John, NB E2L 4A5

Telephone: (506) 633-2556

This is **Exhibit "G"** to the Affidavit of
Ronald Hrynyk sworn to at the City of
Toronto, in the Province of
Ontario on the 25th day of November,
2024, BEFORE ME:

A handwritten signature in blue ink, consisting of several overlapping, fluid strokes, is written over a solid horizontal line. The signature is positioned centrally below the text block.

Court File No: MC-314-2021

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK
TRIAL DIVISION
JUDICIAL DISTRICT OF MONCTON

BETWEEN:

TW1 OAKS INC.

Plaintiff

- and -

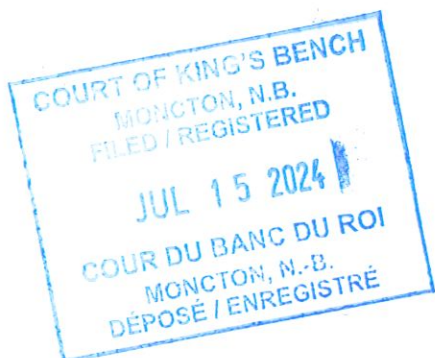
RONALD HRYNYK and HR CORPORATE STRATEGIES INC.

Defendants

- and -

ESMOND CLOUTHIER, STEPHEN LUNN, TWELVE12
INVESTMENTS AND CONSULTANCY INC., and ROYAL OAKS
GOLF CLUB INC.

Parties Added by Counterclaim



**DEFENCE TO COUNTERCLAIM
(FORM 27D)**

1. The Defendants/Plaintiffs by Counterclaim, Ronald Hrynyk ("Mr. Hrynyk") and HR Corporate Strategies Ltd. (collectively the "HR Defendants"), admit the allegations contained in paragraphs 2, 3, 4, 5 and 6 of the Counterclaim on Behalf of Walter Steven Lunn (the "Lunn Counterclaim"), except with respect to paragraph 2 wherein it states "HR Corporate Strategies Inc." – the proper name is "HR Corporate Strategies Ltd." (hereinafter "HR").
2. The HR Defendants deny the allegations contained in paragraphs 7, 8 and 9 of the Lunn Counterclaim.
3. With respect to paragraph 1. of the Lunn Counterclaim, the HR Defendants make no plea.
4. With respect to paragraph 7 of the Lunn Counterclaim, the HR Defendants state that the Share Purchase Agreement ("SPA") between Royal Oaks Golf Club Inc. ("ROGC"), Walter Steven

Lunn ("Mr. Lunn"), HR and TW1 Oaks Inc. ("TW1"), is invalid and/or unenforceable as against them for the following reasons:

- a. Nicole Clouthier misrepresented to the HR Defendants that the SPA was being prepared with the assistance and advice of counsel, and the HR Defendants were induced to execute the SPA on that basis;
- b. Mr. Hrynyk is not a party to the SPA;
- c. The SPA is so unclear, ambiguous and incomplete as to be invalid and unenforceable, and in particular:
 - i. Sections 2.4 to 2.6 of the SPA are unclear, ambiguous and incomplete; and
 - ii. Section 4.2(c) of the SPA references a Voting Agreement that was not attached to the SPA or does not exist;
- d. The SPA was not entered into pursuant to and in compliance with the Shareholders' Agreement executed March 29, 2019 (the "SA"); and
- e. Such further and other reasons as may be identified prior to trial.

5. With respect to paragraph 7 of the Lunn Counterclaim, in the alternative the HR Defendants plead and rely on the provisions of the SPA, in particular:

- a. The definition of "Shareholders", which is "Ron, Jacque and [TW1] collectively", and does not include HR;
- b. Section 2.4(a) which states that within ten (10) days of March 29, 2020, Mr. Lunn "shall have the right, but not the obligation, to put the Purchased Shares to each of the Seller [meaning ROGC] and the Shareholders by written notice";
- c. Section 2.4(b) which states, "[ROGC] and/or the Shareholders either separately or collectively shall purchase the Purchased Shares from the Purchaser at the value of five hundred and forty thousand Canadian dollars (C\$540,000.00) and shall cause the closing of such purchase to be effected within thirty (30) days after the end of the Put Option period...";

- d. Section 2.4(c) which states, "Where the Put Option is not exercised ... the Put Option shall be cancelled and ... the terms and conditions of Section 2.5 shall then apply to the Purchased Shares";
 - e. Section 2.5 which states that Mr. Lunn may cancel the Put Option at any time prior to March 29, 2020, "upon reasonable notice to the Shareholders and the Parties agree that they shall do all such acts and execute all such documents as may be required to cancel the put option and recognise the Purchased Shares as common shares in the capital of [ROGC] with full voting rights, including but not limited to the entry into of the shareholders agreement ..."; and
 - f. Section 2.6 which states, "Unless and until the Put Option is cancelled pursuant to Section 2.5 above, the Purchaser acknowledges and agrees that the Purchased Shares shall be deemed to be non-voting shares and that it shall not have the benefit of any voting rights under the Shareholders Agreement";
6. The HR Defendants deny that the SPA provided Mr. Lunn with a Put Option whereby he was entitled to have his shares repurchased by ROGC, TW1, and/or HR. Rather, the SPA purported to provide Mr. Lunn with a Put Option whereby he was entitled to have his shares repurchased by ROGC, TW1, and/or "Ron" and "Jacquie".
7. The HR Defendants further state that Mr. Hrynyk and Jacqueline Boddaert ("Ms. Boddaert") were improperly included in the definition of shareholders of ROGC because they were not shareholders at that time.
8. The HR Defendants deny that the SPA binds Mr. Hrynyk or Ms. Boddaert, as they are not parties to the SPA.
9. The HR Defendants further state that HR is not included in the definition of "Shareholders" in the SPA; therefore, the Put Option is not enforceable as against HR.
10. With respect to paragraph 8 of the Lunn Counterclaim, the HR Defendants deny that there was a valid and enforceable extension of the Put Option, for reasons that include but are not limited to:

- a. The proposal to extend the Put Option put to Mr. Lunn by Ms. Clouthier on April 1, 2020, was invalid and improper because Ms. Clouthier did not have authority to put the extension proposal to Mr. Lunn, and did so without the knowledge or authority of the other parties to the SPA or the Put Option, in contravention of the terms of the SPA and the SA;
- b. The proposal to extend the Put Option was not put to Mr. Hrynyk by Ms. Clouthier until April 10, 2020, after the Put Option had expired;
- c. In her correspondence to Mr. Hrynyk on April 10, 2020:
 - i. Ms. Clouthier represented to Mr. Hrynyk that she would “reach out to ... counsel” and the extension would be “papered” and “reflected in the corporate books” and any agreement by Mr. Hrynyk to the extension, which is not admitted but denied, was in reliance on this representation and conditional on those steps being taken, and was at best an unenforceable “agreement to agree”; and
 - ii. Ms. Clouthier did not disclose that she had already put the proposal to extend the Put Option to Mr. Lunn; rather, she stated she would “reach out to [Mr. Lunn]”, and Mr. Hrynyk acted in reliance on this misrepresentation;
- d. The extension of the Put Option was not agreed to by all parties to the SPA and/or all parties to the Put Option;
- e. Mr. Hrynyk reasonably expected that Ms. Clouthier would follow through with obtaining the advice and assistance of counsel, and with documenting the extension, and he reasonably expected that he would be provided the said documentation for his review and signature; however, Ms. Clouthier did not follow through with taking these steps;
- f. There is no valid written agreement with respect to the extension of the Put Option;

- g. The extension of the Put Option was not entered into pursuant to and in compliance with the SA; and
- h. Such further and other reasons as may be identified prior to trial.

11. With respect to paragraph 9 of the Lunn Counterclaim, the HR Defendants deny that the Put Option was validly exercised by Mr. Lunn on March 29, 2021, or otherwise, for reasons that include but are not limited to:

- a. The Put Option had expired and was not validly extended;
- b. Mr. Lunn did not provide valid written notice of his decision to exercise the Put Option to each of the parties to the SPA and/or each of the parties to the Put Option in accordance with Section 2.4 of the SPA;
- c. Each of the parties to the SPA and/or each of the parties to the Put Option did not accept Mr. Lunn's exercise of the Put Option; and
- d. Such further and other reasons as may be identified prior to trial.

12. With respect to paragraph 9 of the Lunn Counterclaim, the HR Defendants further deny that Mr. Lunn was entitled to receive \$83,230 "in respect of interest/dividends that accrued pursuant to the Put Option between March 29, 2019 and the date the option was exercised: March 29, 2021," and if such amounts were paid to Mr. Lunn, this was done in contravention of the SA.

13. The HR Defendants plead and rely on the terms of the SA, including without limitation:

- a. The definition of "Shareholders", which is "TW1 Oaks and HR";
- b. Section 1.03, which provides that the SA shall apply to Mr. Lunn's shares "upon certain trigger events and on the terms and conditions as set out in the respective share purchase agreement between the relevant parties, the Corporation and the Shareholders";
- c. Sections 3.07 and 3.08, which provide for the indemnity of directors by ROGC of amounts paid to settle an action or satisfy a judgment reasonably incurred in respect of a civil proceeding;

d. Section 4.02, which states:

4.02 Major Decisions of the Shareholders. No act, decision, by-law or resolution of the Board of Directors which relates to any of the following matters may be acted upon by the Corporation without the prior written consent of all of the Shareholders:

...

5. Issuance of shares in the Corporation ...

...

18. Make any payment of dividends, distribution of surplus earnings, return of capital, redemption or repurchase or other acquisition of shares;

e. Section 6, which sets out terms and restrictions regarding share transactions.

14. The HR Defendants deny any and all liability in respect of the SPA and/or the Put Option.

15. The HR Defendants deny the relief claimed at paragraph 10 of the Lunn Counterclaim.

16. With respect to paragraph 11 of the Lunn Counterclaim, the HR Defendants state that the Lunn Counterclaim goes beyond correcting a procedural irregularity in the "Statement of Defence of Counterclaim" filed by the Party Added by Counterclaim, Walter Steven Lunn, on June 13, 2022 (the "2022 Lunn Counterclaim"), and in particular and without limiting the generality of the foregoing:

a. The Lunn Counterclaim advances a claim against HR, ROGC, and TW1 in joint and several liability, whereas the 2022 Lunn Counterclaim only advances a claim against Mr. Hrynyk personally in the amount of \$261,485, representing 42% of \$500,000 (\$210,875) plus 3 years of interest at 8% (\$50,610). The 2022 Lunn Counterclaim does not advance a claim against HR, ROGC, or TW1, nor does it plead joint and several liability; and

b. In the 2022 Lunn Counterclaim at paragraph 24, Mr. Lunn pleads that his 125,667 common shares in ROGC are voting shares. This is an entirely different position than that taken by Mr. Lunn in the Lunn Counterclaim.

17. The HR Defendants state that the Lunn Counterclaim is barred by Section 5 of the *Limitations of Actions Act*, S.N.B. 2009, c. L-8.5, which is pleaded and relied upon by the HR Defendants.

18. With respect to paragraph 12 of the Lunn Counterclaim, the HR Defendants deny that the Party Added by Counterclaim, Walter Steven Lunn, may rely on Section 21 of the *Limitations of Actions Act*.

19. The HR Defendants respectfully request that the Lunn Counterclaim be dismissed with costs.

20. The HR Defendants intend to proceed in the English language.

DATED at Fredericton, New Brunswick, this 10th day of July, 2024.

COX & PALMER



Ryan P. Burgoyne & Andrea L. Pierce
Solicitors for the Defendants,
Ronald Hrynyk and HR Corporate Strategies
Inc.

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