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BDO Canada Limited
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INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE AGAINST

OWEN SOUND GOLF AND COUNTRY CLUB, LIMITED AND KENNETH W. ROWE LIMITED (hereinafter referred to as "OSGCC")

TO: CREDITORS OF OSGCC

A. -Claims Process

By order of the Honourable Justice Cumming of the Ontario Superior Court of Justice dated October 11, 2011, the Receiver BDO Canada Limited has been authorized to conduct a claims procedure for determining claims against OSGCC (the "Claims Procedure"). The Claims Procedure, a copy of which is enclosed, shall govern the valuation of all Claims against OSGCC.

This letter provides instructions for responding to or completing the Proof of Claim enclosed herewith. Defined terms which are not defined herein shall have the meaning ascribed thereto in the Claims Procedure Order. A copy of the Claims Procedure Order can be obtained from the Receiver's website at:

<http://www.bdo.ca/extranets/owensound-golfcountryclub/index.cfm>

The Claims Procedure is intended for any party asserting a claim of any nature or kind whatsoever against OSGCC whether liquidated, unliquidated, contingent or otherwise as of July 15, 2011, or any claim arising from the termination, repudiation or cancellation by OSGCC or its Receiver of any contract, lease or other agreement as of July 15, 2011 as described in the Claims Procedure Order. If you have any questions regarding the Claims Procedure, please contact the solicitor for BOO Canada Limited, in its capacity as Receiver of OSGCC (the "Receiver") at the address provided below.

All inquiries with respect to the Claims Procedure Order should be addressed to:

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Attention: Mr. David Chaiton
Telephone: 416-643-8814
Facsimile: 1-888-603-4585
Email: dchaiton@torkinmanes.com

B. -For Creditors Submitting a Proof of Claim

If you believe that you have a claim against OSGCC, you will have to file a Proof of Claim with the Receiver.

BDO Canada Limited
Suite 200, BDO Building
1717 Second Avenue East
P.O. Box 725
Owen Sound, ON N4K 5W9

Attention: Joe Bette
Telephone: 519-372-0188 x2265
Email: jbette@bdo.ca

Proof of Claims for all Claims (including Director and Officer Claims) must be received by 5:00p.m. (Eastern Standard Time) on **January 3, 2012** (the "Claims Bar Date") or such later date as the Receiver may consent to in writing.

Additional Proof of Claim forms and a copy of the Claims Procedure Order can be found on the Receiver's website at <http://www.bdo.ca/extranets/owensound-golfcountryclub/index.cfm> or by contacting the Receiver at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Receiver has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

Failure to file your Proof of Claim so that it is received by the Receiver by the Claims Bar Date will result on your claim being barred and you will be prevented from making or enforcing a Claim against OSGCC. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in these proceedings.

A Proof of Claim for a period arising after the appointment of the Receiver must be received by the Receiver by January 3, 2011, or within 30 days after the claim arose, or by such other date as the Receiver and the claimant agree in writing or the Court so orders.

If the Receiver does not agree with the amount of your claim as filed, and such disagreement cannot be resolved consensually you will receive a Notice of Revision or Disallowance from the Receiver. See below for details.

GENERAL INSTRUCTIONS FOR COMPLETING THE PROOF OF CLAIM

The Proof of Claim must be completed by an Individual or an Individual acting on behalf of a corporation. The person acting for a corporation or other person must state the capacity in which they are acting such as "Credit Manager", "Treasurer" etc. The person completing the Claim should have knowledge of the circumstances surrounding the Claim. All Proofs of Claims must be signed, dated and witnessed.

The full name of the Creditor must be filled out in its entirety. Creditors who file a Proof of Claim for a division, or file several Proofs of Claim by division may have their Claims disallowed. **ONLY ONE PROOF OF CLAIM FOR EACH LEGAL ENTITY** may be filed notwithstanding that separate divisions of the same entity may bill OSGCC separately.

A Statement of Account setting out the full particulars of the Claim must accompany each Proof of Claim. The Proof of Claim should include all amounts owing to you for periods up to

and including July 15, 2011. Claims shall be reduced by the amount of any payments thereon, any volume discounts, or any other credits properly applicable to the Claim.

If the Creditor holds security for any Claim a statement of the value and nature of any security, together with copies of the applicable security documents must accompany the Claim.

If the Creditor holds a contingent or unliquidated claim the Claim must set out the details and reasons for the claim as well as the method of valuation thereof.

FOR CREDITORS RECEIVING A NOTICE OF REVISION OR DISALLOWANCE

If you have submitted a Proof of Claim the Receiver is entitled to challenge the valuation, status or validity of such Claim by sending you a Notice of Revision or Disallowance no later than thirty days after the receipt of the claim, or such further period as is authorized by the Court. If no Notice of Revision or Disallowance is sent by the Receiver before such time then the Receiver shall be deemed to have accepted your Claim.

FOR CREDITORS SUBMITTING A DISPUTE NOTICE

If you are sent a Notice of Revision or Disallowance, you are entitled to dispute the revision or disallowance of your Claim by sending by personal service, facsimile or courier, a Dispute Notice to the Receiver, which must be received within fourteen (14) days of the date of the Notice of Revision or Disallowance. If the Receiver does not receive a Notice of Dispute within this period of time your Claim will be finalized on the basis set out in the Notice of Revision or Disallowance.

Upon delivering the Notice of Dispute you must, within ten (10) days, file an Application for determination of your Claim, such application to be returnable within five (5) days of the filing of the Application.

While these instructions and the accompanying forms are provided to assist you with the preparation of your Proof of Claim and in the Claims Procedure, you must comply with the terms of the Claims Procedure Order dated October 11, 2011 which is available on the Receiver's website.

Dated at Owen Sound this 31st day of October, 2011

BDO Canada Limited in its capacity as
Court Appointed Receiver of Owen Sound
Golf and Country Club, Limited and
Kenneth W. Rowe Limited and not
In its personal capacity
Per:


William A. Courage CA, CIRP, FCIRP
Senior Vice-President



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

JUSTICE *Cumming*

BETWEEN:

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TUESDAY, THE 11TH

DAY OF OCTOBER, 2011

BANK OF MONTREAL

Applicant

-and-

OWEN SOUND GOLF AND COUNTRY CLUB, LIMITED
and KENNETH W. ROWE LIMITED

Respondents

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

ORDER

THIS MOTION, made by BDO Canada Limited (the "Receiver") in its capacity as the Court-appointed receiver and manager of all of the assets, undertakings and properties of Owen Sound Golf and Country Club, Limited and Kenneth W. Rowe Limited, for orders approving the conduct and Bill of Costs of the Receiver, the Bill of Costs of counsel to the Receiver and approving the claims process proposed by the Receiver was heard this day at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

ON READING the First Report to Court of the Receiver and on hearing the submissions of counsel for the Receiver, counsel for Bank of Montreal and counsel for the Purchaser, no one appearing for any other person on the service list,

1. **THIS COURT ORDERS** that the activities and conduct of the Receiver as described in the First Report to Court of the Receiver, filed, are hereby approved.
2. **THIS COURT ORDERS** that the Bill of Costs of the Receiver as verified by the Affidavit of William A. Courage sworn October 3, 2011, and all fees and disbursements shown thereon, are hereby approved.
3. **THIS COURT FURTHER ORDERS** that the Bill of Costs of counsel to the Receiver as verified by the Affidavit of Stewart Thom sworn October 6, 2011, and all fees and disbursements shown thereon, are hereby approved.
4. **THIS COURT FURTHER ORDERS** that the Receiver is authorized and directed to make the following distributions of funds following completion of the sale of assets authorized pursuant to an Approval and Vesting Order issued on the same date as this Order:
 - (a) To Canada Revenue Agency in the amount of \$21,551 in full satisfaction of its property claim in respect of source deduction arrears; and
 - (b) To Bank of Montreal in the amount of \$1,243,555.96 plus interest accrued to date in payment in full satisfaction of its secured claim.
5. **THIS COURT FURTHER ORDERS** that the claims process outlined in the First Report to Court of the Receiver, and the documentation in connection therewith attached as

Schedule A hereto, are hereby approved and the Receiver is hereby authorized and directed to conduct the claims process as outlined therein.

6. **THIS COURT FURTHER ORDERS** that the Receiver shall have its costs of this Motion on a substantial indemnity scale.

Oct 11, 2011 Peter B. Cumming J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

OCT 11 2011

PER/PAR:

MB

BANK OF MONTREAL
Applicant

-and-

OWEN SOUND GOLF AND COUNTRY CLUB, LIMITED et al.
Respondents

Court File No. CV-11-9306-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER

TORKIN MANES LLP
Barristers & Solicitors
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Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413

David Chaiton (18362V)
Tel: 416-643-8814

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, BDO Canada Limited

RCP-E 4C (July 1, 2007)