



# MOHAWKS OF THE BAY OF QUINTE

## KENHTÈKE KANYEN'KEHÁ:KA

24 Meadow Drive, Tyendinaga Mohawk Territory, ON K0K 1X0  
Phone 613-396-3424 Fax 613-396-3627

**FEBRUARY 14, 2025** – On March 31, 2022, the Tyendinaga Mohawk Council (TMC) published a public notice of the Annual Briar Fox Golf Club Open House. In this public notice, TMC provided information and details of the acquisition of the Briar Fox Golf Club (Briar Fox) by the Mohawks of the Bay of Quinte (MBQ). Recent posts on social media outline some misunderstandings of the details, of this acquisition, that TMC had already provided to the community. Here are some additional details to further the facts, presented on March 31, 2022, surrounding the purchase of Briar Fox by MBQ on April 1, 2021.

The purchase was led by a Golf Course Negotiation Committee that was nominated by TMC. This committee was led by the former Chief Administrative Officer (CAO) of MBQ, David Souliere. Members of this committee were:

- David Souliere, Chair, CAO for MBQ
- 2 MBQ Councillors
- MBQ Financial Advisor, a CPA, CA, Aboriginal Business Network
- MBQ Legal Counsel, Miller Thomson LLP

This committee was tasked to perform the proper due diligence on the golf course and business and to perform the negotiations with the previous owner, Burgis Holdings Inc. (Cal & Patricia Dunville), for the purchase of the Briar Fox.

Some of the due diligence that was performed on the golf course was:

- An independent appraisal of the golf course and assets and a comparison to similar properties and businesses in the near vicinity;
- An independent assessment of the golf course and assets for its operational and functional state outlining any deficiencies and possible future maintenance issues or expenses; and
- A 5-year historical financial review of Burgis Holdings Inc. (the operating entity that owned the land and the golf course business) to ascertain its ongoing viability.

The due diligence showed that the business was viable and the assets and condition of the golf course were in a good operational condition (with the exception of some golf carts). Due to potential undisclosed liabilities with Burgis Holdings Inc., it was agreed, by both parties, that the purchase of Briar Fox would be an asset and land purchase and not a corporation purchase.

The 185 acres of land that the golf course uses are currently recognized by the Crown as fee simple land. It is located within the treaty lands of MBQ. With the help of MBQ's financial advisor and legal counsel, a corporate structure was developed that ensures the following:

- Preservation of MBQ’s income tax exempt status of income earned from the golf course business;
- To limit the business and litigation liability of the business so that the assets of MBQ are protected; and
- The ability to add the land to reserve (Additions to Reserve) at a later date.

Due to these parameters, it was decided to separate the purchase of the golf course into a land purchase transaction and a business asset purchase transaction.

In order for the land to be eligible for the Additions to Reserve it must be owned, in trust, by a wholly owned subsidiary of MBQ. This MBQ subsidiary is 100% owned by MBQ and is called 2821066 Ontario Inc. (LandCo). 2821066 Ontario Inc., a wholly owned subsidiary of MBQ, purchased only the land. 2821066 Ontario Inc. does not own any of the Briar Fox operating assets. While the shareholder and owner of this corporation is MBQ, the corporation must operate through its directors and officers. These directors and officers are all accountable back to the owner, MBQ, and do not have, nor ever had, any personal interest in the corporation. Briar Fox rents the land from 2821066 Ontario Inc. for use as a golf course. All rental income has been transferred directly to MBQ to service the BMO bank loan. The current directors and officers of 2821066 Ontario Inc. are listed below.

**DIRECTORS**

R. Donald Maracle  
Chris Maracle

**OFFICERS**

Angela Maracle – President & Treasurer  
R. Donald Maracle – Secretary

The operating assets of the golf course, including buildings, equipment, kitchen, golf carts, etc. were purchased by a 100% MBQ owned limited partnership called Mohawk Golf Course Limited Partnership (Limited Partnership). This Limited Partnership holds all of the physical assets of the golf course and is where the operations of the golf course reside. All income generated by the golf course (Limited Partnership) is transferred to MBQ, free of any income tax liability.

Two bank loans totalling \$2.6 million were obtained from the Bank of Montreal.

- |                  |  |
|------------------|--|
| • Land purchase  | \$1,400,000.00 (to purchase land & golf carts)             |
| • Asset purchase | <u>\$1,200,000.00</u> (to purchase assets & closing costs) |
|                  | <b><u>\$2,600,000.00</u></b>                               |

A total of \$2,320,000.00 was paid to Burgis Holdings Inc. for the purchase of Briar Fox and the land that it sits upon. The balance of the loans, \$280,000.00 were used to replace the old golf carts and to pay for the closing costs of this transaction. No other funds were paid, transferred, or used in this acquisition. The original directors and the current directors of 2821066 Ontario Inc. have never received any money from this acquisition or from Briar Fox. Briar Fox is repaying these loans. No community funds have been used.

Cal Dunville had negotiated a trade-in value for the old golf carts in the purchase of new replacement golf carts. As part of BMO loans, \$200,000.00 was to purchase the new golf carts. The trade-in value of the old golf carts and the \$200,000.00 loan were the proceeds used to purchase the new golf carts. In its first season of operation, the golf course made enough money to repay the \$200,000.00 loan. TMC decided to keep this amount in the golf course as working capital instead of fully repaying this loan. Briar Fox is repaying this loan. No community funds have been used.

Briar Fox undergoes an annual financial audit from Wilkinson & Company LLP. The auditors have accounted for all of the money in MBQ's acquisition of Briar Fox and has also accounted for 100% of the money going to MBQ. Audit reports received have had clean opinions.

In summary, Briar Fox Golf Club is:

- 100% owned by the MBQ community;
- Transferring 100% of the profits to the MBQ community;
- Not using any community funds in the purchase and ongoing operations;
- Maintaining the income tax exempt status of all profits to the MBQ community;
- Allowing the MBQ community to add the land to reserve, at a future date as part of MBQ's land reclamation mandate;
- Paying all of the loans used to purchase the land and assets of the business through golf course profits; and
- Liability protecting the MBQ community from any business or litigation liabilities through its corporate structure.

Briar Fox Golf Club is truly the community's golf course.