

CLUBLINK ASSUMPTION AGREEMENT

THIS AGREEMENT is made as of November 1, 1996.

BETWEEN:

IMASCO ENTERPRISES INC.

("Imasco")

- and -

CLUBLINK CAPITAL CORPORATION

(the "Purchaser")

- and -

THE CORPORATION OF THE CITY OF KANATA

(the "City")

A. Pursuant to the request from Campeau Corporation ("Campeau") for an amendment to the Official Plan of The Regional Municipality of Ottawa-Carleton, Campeau and the City entered into an agreement dated May 26, 1981, governing the designation of certain lands within the Marchwood Lakeside Community as recreation and open space, which agreement was registered against title to lands legally described in Schedule "A" thereto in the Registry Office for the Registry Division of Ottawa-Carleton (No. 5) (the "LRO") on January 8, 1982 as Instrument No. NS140350 (now Land Titles No. LT286218 in respect of portions of the lands) and in the Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) (the "LTO") on the same day as Instrument No. LT277799 (the "1981 Agreement").

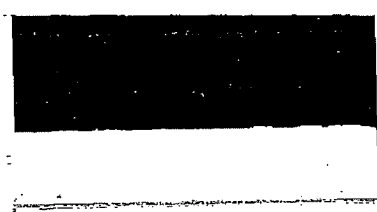
B. Campeau and the City subsequently entered into a further agreement dated December 20, 1988 addressing issues in the 1981 Agreement, which agreement was registered against title to the lands described in Schedule "A" thereto in the LRO (No. 5) on March 21, 1989 as Instrument No. N480080 and in the LTO on March 21, 1989 as Instrument No. LT606427;

C. The agreements referred to in Recitals A and B above are herein collectively called the "Forty Percent Agreement";

D. Campeau and the City entered into an agreement dated June 10, 1985 (the "1985 Agreement") governing the improvement and operation by Campeau of the Kanata Golf Course (as defined in the 1985 Agreement) on certain lands owned by Campeau situated in the City of Kanata described in Schedule "A" to the 1985 Agreement. The 1985 Agreement has been registered against the lands described in Recital E below in the LTO on March 21, 1989 as Instrument No. LT606425;

E. Campeau and the City have subsequently entered into a further agreement dated December 20, 1988 addressing issues in the 1985 Agreement, which agreement has been registered against the lands described in Schedule "A" thereto on March 21, 1989 in the LTO as Instrument No. LT606426;

F. The agreements referred to in Recitals D and E above are herein collectively called the "Golf Club Agreement";



G. Pursuant to an agreement of purchase and sale dated as of February 24, 1989, Campeau sold and assigned and Genstar Development Company Eastern Ltd. ("Genstar") purchased all of Campeau's right, title and interest in and to all of the lands which are subject to the Forty Percent Agreement and the Golf Club Agreement, which purchase was completed with the registration of a transfer/deed from Campeau to Genstar in the LTO on March 30, 1989 as Instrument No. LT607362;

H. Pursuant to the tripartite assumption agreement (the "Genstar Assumption Agreement"), between Campeau, Genstar and the City registered in the LTO on March 30, 1989 as Instrument No. LT607395, Campeau assigned to Genstar and Genstar assumed the obligations of Campeau under:

- (a) the Forty Percent Agreement; and
- (b) the Golf Club Agreement,

and Genstar covenanted directly with the City in respect of the obligations assumed thereunder;

I. The City, in the Genstar Assumption Agreement, released Campeau from its obligations under the Forty Percent Agreement and the Golf Agreement, and waived its right of first refusal contained in Section 5(3) of the 1981 Agreement;

J. Pursuant to an asset purchase agreement dated as of August 6, 1996 (the "Purchase Agreement"), Genstar agreed to sell and assign and Clublink Properties Limited ("Properties") agreed to purchase, among other things, all of Genstar's right, title and interest in and to all of the lands forming the Kanata Lakes Golf & Country Club, which lands are more particularly described in the attached Schedule "A" (the "Golf Course Lands"). On closing, Properties directed that title to the Golf Course be taken by its subsidiary, the Purchaser;

K. The Golf Course Lands form part of the lands that are the subject of the Forty Percent Agreement and the Golf Club Agreement;

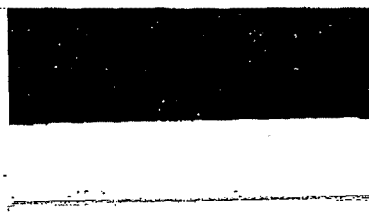
L. The Forty Percent Agreement and the Golf Club Agreement require that, on the sale of the lands against which those agreements are registered, the Purchaser shall execute an agreement with the City agreeing to be bound by the covenants and obligations therein;

M. The City has agreed to waive its right of first refusal contained in Section 5(3) of the 1981 Agreement subject to the Purchaser assuming such obligations;

N. Imasco and Genstar have amalgamated under the *Canadian Business Corporations Act* to continue as and under the name of Imasco pursuant to Articles of Amalgamation effective January 1, 1997 (the "Amalgamation"), notice of which was registered in the LTO on January 7th, 1997 as Instrument No. 1820056; and

O. At the request of Imasco and the Purchaser, the City has agreed on or before June 30, 1997 to review the Forty Percent Agreement and the Golf Club Agreement to determine, acting reasonably, if the Purchaser's obligations to assume such agreements may be limited to the Golf Course Lands and if Imasco may be released for those obligations under such agreements that were assumed by the Purchaser.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of \$10.00 and other good and valuable consideration now paid by each of the parties hereto to each of the other parties (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:



1. **Amalgamation:** Imasco assumes and agrees to be bound by and perform all of the covenants, liabilities and obligations of Genstar under the Forty Percent Agreement and the Golf Club Agreement and the parties hereto acknowledge that the Amalgamation has the effect of vesting in Imasco the rights and benefits arising out of the Forty Percent Agreement and the Golf Club Agreement and subjecting Imasco to all of the duties and covenants arising therefrom.
2. **Assignment:** Imasco hereby assigns, transfers and sets over unto the Purchaser, as of the date hereof, for its sole use and benefit, all of Imasco's right, title and interest in and to the Forty Percent Agreement and the Golf Club Agreement to the extent they relate to the whole or any part of the Golf Course Lands, together with all benefits and advantages to be derived therefrom and all covenants and agreements in connection therewith, save and except for the rights and benefits contained in Section 9 of the 1981 Agreement, to have and to hold the same to the Purchaser and its successors and assigns.
3. **Assumption:** The Purchaser hereby assumes, as of the date hereof, all of Imasco's liabilities and obligations under and in respect of the Forty Percent Agreement and the Golf Club Agreement. The Purchaser covenants and agrees with Imasco and the City:
 - (a) to make payment or otherwise perform such liabilities and obligations in accordance with the provisions of the Forty Percent Agreement and the Golf Club Agreement; and
 - (b) that from and after the date hereof, every covenant, proviso, condition and stipulation contained in the Forty Percent Agreement and the Golf Club Agreement shall apply to and bind the Purchaser in the same manner and to the same effect as if the Purchaser had executed the same in the place and stead of Campeau or Imasco.
4. **City Acknowledgement:** The City acknowledges and consents to the assignment and assumption herein contained and waives the right of first refusal contained in Section 5(3) of the 1981 Agreement (the "Option") with respect to the sale to the Purchaser.
5. **Option:** The City consents to the transaction of purchase and sale provided for in the Purchase Agreement provided that nothing herein shall derogate from or cancel the City's Option upon any subsequent sale of the Golf Course by the Purchaser. The Purchaser acknowledges and confirms that the Option shall continue to be in effect, and shall bind the Purchaser on any subsequent sale by the Purchaser as aforesaid notwithstanding the City's consent to the transaction as aforesaid.
6. **Indemnity:** The Purchaser covenants with Imasco that the Purchaser will, at all times hereafter, well and truly save, defend and keep harmless and fully indemnified Imasco from and against all losses, costs, charges, damages and expenses which Imasco may, at any time or times suffer, be at or be put unto for or by reason or on account of any claims or demands whatsoever arising under, from or out of any breach of the Purchaser's covenants herein.
7. **Covenants of the City:** The City covenants with the Purchaser to perform all of the covenants and obligations of the City under the Forty Percent Agreement and the Golf Club Agreement. The City represents and warrants that as of the date hereof there is no default on the part of Imasco under the Forty Percent Agreement or the Gold Club Agreement.
8. **Supplementary Agreement:** Despite the assumption by the Purchaser and the lack of a release of Imasco in respect of the liabilities and obligations referred to in



Section 2 above, the City acknowledges that if Imasco reviews the 40% Agreement and the Golf Club Agreement in order to identify those liabilities and obligations that apply to the Golf Course Lands, and the Purchaser, acting reasonably, finds Imasco's identification to be acceptable, then the City will, acting reasonably and in good faith, review such identification, and upon being satisfied that those liabilities and obligations under those Agreements have been appropriately identified, will enter into a supplementary agreement with the Purchaser and Imasco prepared by the Purchaser and Imasco at their cost in which the Purchaser assumes only those liabilities and obligations so identified and Imasco is released from them as of the date of this Agreement.

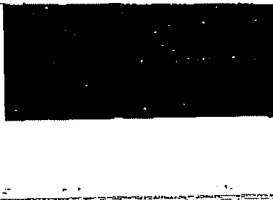
The parties shall endeavour to proceed on the above basis expeditiously, with a view to concluding the supplemental agreement by no later than approximately June 30, 1997. Imasco and the Purchaser shall be responsible for any out-of-pocket costs of the City that the City requires to be paid in connection with the above up to a maximum of \$2,500.00.

9. **Golf Course:** Imasco covenants and agrees with the City and ClubLink to insert in all agreements of purchase and sale for lots and blocks still owned by Imasco that adjoin any part of the Golf Course Lands or are within 100 metres of any limit of the Golf Course Lands the following:

- (a) The Purchaser acknowledges that the property being purchased abuts or is in the vicinity of the golf course that is owned by ClubLink Corporation or an affiliate of it ("ClubLink") and the Purchaser for himself, his heirs, executors, administrators, successors and assigns covenants and agrees that he will not claim against or sue the City of Kanata, ClubLink or Imasco for any property damage or personal injury of any kind suffered by the Purchaser as a result of activities on the golf course by any users. Moreover, the Purchaser agrees to indemnify and save harmless the City, ClubLink and Imasco from all claims or suits brought against it for property damages or personal injury of any kind by any person or persons who sustain such damage or injury while on the property being purchased.
- (b) The Purchaser acknowledges and agrees that the covenants and agreements made herein are for the benefit of the City of Kanata, ClubLink and Imasco and are actionable by the City, by ClubLink and by Imasco and their respective successors and assigns against the Purchaser, his heirs, executors, administrators, successors and assigns; and
- (c) The Purchaser further covenants that in any further sale or transfer of the within lands, the transfer/deed shall contain the same acknowledgements, covenants or agreements by the new Purchaser or transferor as are hereby given by the Purchaser or transferor as are hereby given by the Purchaser including the agreement by the new Purchaser or transferor to exact the same acknowledgements, covenants and agreements from the new Purchaser.

10. **Open Space Lands:** If the City is required under Section 9 of the 1981 Agreement to reconvey any land (because, as provided for more particularly in such Section 9, such land ceases to be used for recreational and natural environmental purposes by the City), then the City shall notify the Purchaser of such conveyance prior to delivering it to Imasco or as Imasco may direct.

11. **Open Space Lands:** The parties to this Agreement acknowledge and agree that nothing in this Agreement alters the manner in which approximately 40% of the total development area of the "Marchwood Lakeside Community" is to be left as open space for recreation and natural environmental purposes (the "Open Space Lands") as referred to in Section 3 of the 1981 Agreement, so that the calculation of the Open



Space Lands will continue to include the area of the Golf Course Lands including, without limitation, any area occupied by any building or other facility ancillary to the golf course and country club located now or in the future on the Golf Course Lands. If the use of the Golf Course Lands as a golf course or otherwise as Open Space Lands is, with the agreement of the City, terminated, then for determining the above 40% requirement, the Golf Course Lands shall be deemed to be and remain Open Space Lands.

12. **Successors and Assigns:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
13. **Counterparts:** This Agreement may be executed in any number of counterparts and all such counterparts shall for all purposes constitute one agreement, binding on the parties hereto, provided each party hereto has executed at least one counterpart, and each shall be deemed to be an original, notwithstanding that all parties are not signatory to the same counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

IMASCO ENTERPRISES INC.

By: _____
Name: James Hammermeister
Title: Authorized Signing Officer

By: _____
Name: Sharon Eyolfson
Title: Authorized Signing Officer

I/We have authority to bind the Corporation.

CLUBLINK CAPITAL CORPORATION

By: _____
Name: Justin Connidis
Title: Vice-President and Secretary

I have authority to bind the Corporation

**THE CORPORATION OF THE CITY OF
KANATA**

By: _____
Name:
Title:

c/s

By: _____
Name:
Title:

I/We have authority to bind the Corporation

Schedule "A" - Golf Course Lands




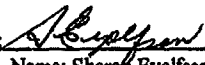
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THE CORPORATION OF THE CITY OF KANATA

By: _____
Name: _____
Title: _____

c/s

By: _____
Name: _____
Title: _____

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Schedule "A" - Golf Course Lands



Space Lands will continue to include the area of the Golf Course Lands including, without limitation, any area occupied by any building or other facility ancillary to the golf course and country club located now or in the future on the Golf Course Lands. If the use of the Golf Course Lands as a golf course or otherwise as Open Space Lands is, with the agreement of the City, terminated, then for determining the above 40% requirement, the Golf Course Lands shall be deemed to be and remain Open Space Lands.

12. **Successors and Assigns:** This Agreement shall endure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
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By: _____
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Title: Authorized Signing Officer

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CLUBLINK CAPITAL CORPORATION

By: _____
Name: Justin Connidis
Title: Vice-President and Secretary

I have authority to bind the Corporation

THE CORPORATION OF THE CITY OF KANATA

By: Pamela E. Cripps
Name: Pamela E. Cripps
Title: Acting Mayor

By: [Signature] c/s
Name: ANNAL LABINTE
Title: CITY CLERK

I/We have authority to bind the Corporation

Schedule "A" - Golf Course Lands



Schedule "A"

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In the City of Kanata, in the Regional Municipality of Ottawa-Carleton:

- FIRSTLY:** ⁰⁴⁵¹³ PIN 04511-0027 (LT)
Block 69, Plan 4M-510
- SECONDLY:** PIN 04512-0640 (LT)
Block 126, Plan 4M-651
- THIRDLY:** PIN 04513-0091 (LT)
Block 132, Plan 4M-651.
- FOURTHLY:** PIN 04511-0214 (LT)
Block 183, Plan 4M-652.
- FIFTHLY:** PIN 04511-0700 (LT)
Part Block 184, Plan 4M-652, being designated as Part 2 on Plan 4R-7217.
- SIXTHLY:** PIN 04511-0659 (LT)
Block 185, Plan 4M-652.
- SEVENTHLY:** PIN 04511-0658 (LT)
Block 186, Plan 4M-652.
- EIGHTHLY:** PIN 04512-0357 (LT)
Block 160, Plan 4M-739.
- NINTHLY:** PIN 04511-0779 (LT)
Block 76, Plan 4M-741.
- TENTHLY:** PIN 04512-0740 (LT)
Block 76, Plan 4M-828, save and except Plan 4M-925.
- ELEVENTHLY:** PIN 04512-0140 (LT)
Block 1, Plan 4M-881, save and except for (i) Plan 4M-925; and (ii) Parts 1, 2, 3, 4, 5 and 6, inclusive, on Plan 4R-12476.
- TWELFTHLY:** PIN 04512-0683 (LT)
Block 55, Plan 4M-883.
- THIRTEENTHLY:** PIN 04512-0676 (LT)
Block 56, Plan 4M-883, save and except for Part 7 on Plan 4R-12476.
- FOURTEENTHLY:** Part of PIN 04511-1007 (LT)
Part of Lots 5 and 6, Concession 3 and part of the road allowance between Lots 5 and 6, Concession 3 of the geographic Township of March designated as Part 2, Plan 4R-7987.
- FIFTEENTHLY:** Part of PIN 04511-1003 (LT)
Part of Lot 6, Concession 3, designated as Part 1, Plan 4R-7987.
- SIXTEENTHLY:** PIN 04511-1002 (LT)
Part road allowance as widened between Lots 5 and 6, Concession 3 of the geographic Township of March, being that part of Beaverbrook Road and Richardson Side Road (as stopped up and closed by LT552228) being designated as Part 4, Plan 4R-6557.
- SEVENTEENTHLY:** PIN 04512-0358 (LT)
Part Block 192, Plan 4M-652, designated as Part 2, Plan 4R-7259.

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