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File No. 304995/000525

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Delivered by Email (tamara_gitto@bat.com)

Tamara Gitto
Vice President, Legal and External Affairs
Imperial Tobacco Canada Limited
3711 Saint-Antoine Street West
Montreal, QC H4C 3P6

Dear Ms. Gitto:

**Re: City of Ottawa ats ClubLink ats Kanata Greenspace Protection Coalition
Court File No.: 19-81809**

We are lawyers for the City of Ottawa ("City"). We are writing to notify you of an Application in the Ontario Superior Court of Justice which may impact the interests of Imperial Tobacco Canada Limited ("Imperial") as corporate successor of Imasco Enterprises Inc. ("Imasco"). This Application is set to be argued next Thursday and Friday in Ottawa, unless Imperial takes the position that an adjournment is required.

We are attaching the City's Notice of Application in Court File No. 19-81809. This case is about the enforcement of a series of contracts in relation to certain lands in Ottawa ("Golf Course Lands").

The current owner of the Golf Course Lands is the Respondent ClubLink Corporation ULC ("ClubLink"). ClubLink acquired the Golf Course Lands from Imasco in 1997.

The City is seeking to enforce certain contractual obligations in relation to the Golf Course Lands that were assumed by Clublink when it acquired the land from Imasco. These obligations are set out in the ClubLink Assumption Agreement dated November 1, 1996 between ClubLink, Imasco and The Corporation of the City of Kanata (now the City).

The City's position is that ClubLink has formed a desire to discontinue operating a golf course on the lands, and as a result is in breach of contract for failing to offer to convey the Golf Course Lands to the City at no cost. In short, the City is relying on the contract and seeks to enforce it.

The ClubLink Assumption Agreement provides that **if** the City assumes ownership of the land, and **if** the City ceases to use the land for recreational and natural environmental purposes, it must convey the land to Imasco.

ClubLink has just served its responding factum. It has taken the position that the agreement is void *ab initio* as it was *ultra vires* the municipality to enter into the series of agreements at issue in the case. The City was not previously aware that ClubLink would be taking this position.

In light of ClubLink's legal position, it seems likely that the court will ask the parties whether Imperial had notice of the Application, in light of the fact that it may have an interest in the outcome.

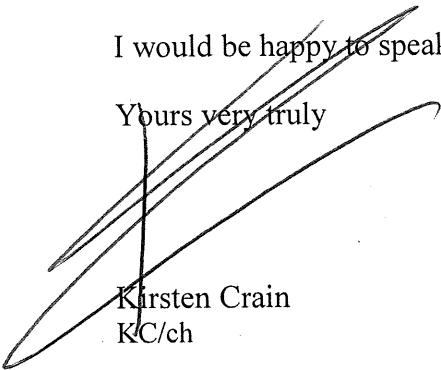
As a practical matter, it seems highly unlikely that a circumstance would ever arise whereby the City would be conveying the Golf Course Lands to Imperial. Nevertheless, unless there are other agreements between ClubLink and Imperial that the City is not aware of, it seems that Imperial may have some residual rights pursuant to the agreements at issue here. Any such rights would be at risk of the court declares the contract void *ab initio*.

This Application is of considerable local interest. A community group has been granted intervenor status, and we have been told that a bus has been arranged by the community to transport people to court next week for the Application.

We would be grateful if you would advise us at your earliest opportunity whether Imperial takes an interest in these proceedings, or seeks to be added as a Responding Party. In that event, we would be grateful if you would confirm that you are able to accept electronic service of the Application Record.

I would be happy to speak at your convenience.

Yours very truly



Kirsten Crain
KC/ch

cc. Matthew Gottlieb / James Renihan / John Carlo Mastrangelo (Lax O'Sullivan Lisus Gottlieb LLP)
Mark R. Flowers (Davies Howe LLP)
Alyssa Tomkins / Charles Daoust (Caza Saikaley LLP)

Encl Notice of Application
Clublink Assumption Agreement
1981 40% Agreement