

September 30, 2019

Stonebridge Community Association Inc.
c/o PO Box 34014
3777 Strandherd Drive
Ottawa, ON K2J 5B1

Re: Stonebridge Golf Course

Longevity, Golf Operations, and Mattamy Phase 16 Development

This Letter is to confirm the intent of ongoing discussions between Mattamy (Monarch) Limited ("Mattamy"), the Stonebridge Community Association Inc. (the "SCA"), the Stonebridge Working Group (the "SWG" being an unincorporated temporary facilitation committee comprised of some members of the SCA and of some members from the broader community of Stonebridge) and the City of Ottawa ("City") regarding the future operation of the Golf Course, possible change of use, and potential development of the Property including the Subdivision, as hereinafter defined.

To assist in arriving at a satisfactory conclusion, we are providing this letter to outline the basic terms which we hope will form the basis of an agreement between the parties.

Definitions

In this letter:

- a. "Agreement" means the binding agreement to be entered into among Mattamy, the SCA (or alternate legal entity to be incorporated for purposes of the within proposed acquisition) and the City of Ottawa ("City") regarding the future operation of the Golf Course, possible change of use, and potential development of the Property including the Subdivision, as hereinafter defined.
- b. "Clubhouse" means the lands shown in blue in the middle of the sketch attached hereto as Schedule "A";

- i. "Golf Course" means an area on which golf is played and includes roughs and natural areas currently bordering the playing area, clubhouse and associated services. The Golf Course may be operated by the registered owner of the lands or by a third-party service provider;
 - ii. "Stonebridge Golf Course" means the lands and premises shown in yellow on the sketch attached hereto as Schedule "A", comprising a minimum par 70 course with a minimum yardage of 6,000 yards including a corridor to the north of the clubhouse lands being a minimum of 20 metres wide. Also attached hereto as Schedule B is a draft routing plan.
- d. "Maintenance Area" means an adequately sized area to be established within the lands shown in blue at the bottom of the sketch attached hereto as Schedule "A";
- e. "Open Space/Green Space" means an area of land, either landscaped or essentially undeveloped, that is set apart for recreational or aesthetic purposes and is accessible to the public including without limitation grasses, trees, other vegetation, wetlands, arboretum, botanical garden, and further including, a greenhouse, stormwater management ponds and facilities, utility corridors, paths, trails, benches, comfort stations, and space for an information kiosk and limited parking;
- f. "Property" means the lands legally described as Part of Lot 7 and 8 Concession 2, in the Geographic Township of Nepean, City of Ottawa, to be more particularly described in a Schedule to the Agreement, and comprising the Stonebridge Golf Course, the Clubhouse and the Maintenance Area;
- g. "SCA" means the Stonebridge Community Association Inc. which is a duly incorporated not-for-profit corporation, but does not mean any individual(s), and may include a wholly owned subsidiary incorporated for the purpose of holding ownership of the lands and premises of the Property;
- h. "Subdivision" means the lands for which Mattamy intends to file an Application for Development with the Plan of Subdivision attached hereto as Schedule "D", and includes Stonebridge Design and Architectural Elements as set forth in Schedule "C" attached hereto.

Terms of Proposed Agreement

1. Mattamy will proceed with its Application for a Plan of Subdivision and a Zoning By-Law Amendment to permit the development of residential units on a portion of the existing Stonebridge Golf Course. The development will be analogous to what was proposed in the Planning Rationale prepared by Fotenn Planning + Design and dated June 21, 2018 ("Planning Rationale") and the draft routing plan for the Stonebridge Golf Course attached hereto as Schedule "B" and will incorporate the existing Stonebridge design and architectural elements, including, but not limited to the features set out in Schedule "C" attached hereto (hereinafter "Mattamy's Phase 16 Development Application" or the "Application"). The Application shall not be filed with the City prior to September 16, 2019.
2. Provided the Application is analogous to the "Planning Rationale" of June 21 2018, the draft routing plan for the Stonebridge Golf Course attached hereto as Schedule "B" and the terms of this Letter, the SCA and the SWG will agree not to oppose Mattamy's Phase 16 Development Application and not to file any appeals of decision(s) approving Mattamy's Phase 16 Development Application.
3. Subject to section 8 hereunder, Mattamy will agree to continue operating the Property as an 18-hole Golf Course (minimum Par 70, no less than 6000 yards) and also to maintain it to its high historical standards including with Audubon International Certification, until at least October 30, 2029. In the event that part of the Stonebridge Golf Course needs to be closed temporarily for redesign, maintenance or renovations, Mattamy shall make commercial reasonable efforts to keep at least 9 holes open.

Notice of Termination regarding the Golf Course

4. Mattamy will have the right to terminate its operation of the Property as an 18-hole Golf Course by providing not less than two (2) years' written notice to the SCA and to the City of its intention to do so (the "Notice of Termination"); provided that any Notice of Termination so delivered shall not relieve Mattamy from its obligation to operate the Golf Course in accordance with section 3 above.

First Option to the SCA

5. The delivery of the Notice of Termination to the SCA (or alternate legal entity to be incorporated for purposes of the within proposed acquisition) and the City shall constitute the granting by Mattamy to the SCA of a first, non-assignable, option to acquire the Property, either directly or through the auspices of the City, on the following terms and conditions, (the "First Option"):

a. **Exercise of First Option**

- i. The SCA may exercise the First Option by providing written notice to Mattamy and the City at any time between: (i) the date of the Notice of Termination and (ii) sixty (60) days prior to October 30, 2029 (the "First Option Notice Period").
- ii. If the SCA does exercise the First Option, and is able to acquire ownership of the Property directly, the SCA will take the steps necessary to purchase the Property by way of a payment to Mattamy in the amount of Six Million (\$6,000,000.00) Dollars, subject to the usual adjustments (excluding inflation on the said payment) on Closing (the "Acquisition Price"). If the transaction is subject to HST, then such HST shall be in addition to the Acquisition Price.
- iii. If the SCA does exercise the First Option, but the acquisition must proceed through the auspices of the City, the City will have the right to take the steps necessary pursuant to the terms of this Letter to acquire the Property either by way of a land exchange agreement for land having value of Six Million (\$6,000,000.00) Dollars and provided Mattamy deems such land to be acceptable in its sole and absolute discretion or, alternatively, by way of a payment to Mattamy in the amount of Six Million (\$6,000,000.00) Dollars, subject to the usual adjustments (excluding inflation on the payment) on Closing (the "Acquisition Price"). If the transaction is subject to HST, then such HST shall be in addition to the Acquisition Price.

b. **Closing Date**

Closing will take place on the date that is sixty (60) days after the date on which the First Option is exercised, or such later date as may be agreed upon by the parties. The SCA and/or the City shall be responsible for performing its due diligence prior to exercising the First Option.

c. Contracts and Employees

On or before Closing, Mattamy shall, at its sole expense, cancel all service and maintenance contracts affecting the Property and shall terminate the employment of all employees employed by it working at the Property and pay them all severance, vacation pay and all other monetary and non-monetary benefits to which they are entitled and accrued to Closing.

d. Restrictive Covenants

The Agreement created by the exercise of the First Option will include restrictive covenants prohibiting the Property from being used for any purposes other than a Golf Course and/or Open Space/Green Space. Mattamy shall be entitled to register these restrictive covenants on title to the Property.

e. Buy-back of Property by Mattamy

The SCA will grant Mattamy the following options to repurchase the Property:

- i. In the event that more than 9 holes are converted to Open Space/Green Space, Mattamy will have the option to purchase the Clubhouse and Maintenance Area, for the sum of One (\$1) Dollar; and
- ii. In the event that any part of the Property ceases to be used as a Golf Course and/or Open Space/Green Space, or if the SCA/City sells, conveys, transfers or otherwise disposes of the Property, Mattamy will have the option to repurchase the whole of the Property for the sum of Six Million (\$6,000,000.00) Dollars subject to the usual adjustments (excluding inflation on the repurchase price) on Closing (the "Acquisition Price"). If the transaction is subject to HST, then such HST shall be in addition to the Acquisition Price. If the City is then the registered owner of the Property, Mattamy agrees to pay the Acquisition Price, or any part thereof, directly to the SCA if so directed by the City. Mattamy further agrees that if an agreement is reached between the City and the SCA to allocate the Acquisition Price between cash and parkland dedication, Mattamy shall make commercial reasonable efforts to provide such parkland dedication on the understanding that any land so dedicated shall be credited towards the Acquisition Price based on the then prevailing value of parkland acreage.

f. First Option not exercised

If the SCA does not exercise the First Option within the First Option Notice Period or delivers written notice to Mattamy and the City that it does not intend to exercise the First Option, then the First Option will expire and be terminated and thereupon neither party will have any further rights or obligations with respect to the First Option.

Second Option to the City

6. If the First Option has expired or if Mattamy has received notice from the SCA that the SCA has opted not to exercise the First Option, as the case may be, Mattamy grants the City a second, non-assignable, option to purchase the Property on the following terms and conditions (the "Second Option"):

a. Exercise of Second Option

The City may exercise the Second Option by providing written notice to Mattamy at any time between: (i) the date that the SCA delivers written notice to Mattamy and the City that it does not intend to exercise the First Option and (ii) the date of expiry of the First Option Notice Period, whichever is the earlier date and sixty (60) days following said date (the "Second Option Notice Period").

b. Purchase by land exchange or payment

If the City exercises its option to acquire the Property, the City will have the right to take the steps necessary pursuant to the terms of this Letter to acquire the Property either by way of a land exchange agreement for land having value of Six Million (\$6,000,000.00) Dollars and provided Mattamy deems such land to be acceptable in its sole and absolute discretion or, alternatively, by way of a payment to Mattamy in the amount of Six Million (\$6,000,000.00) Dollars, subject to the usual adjustments (excluding inflation on the payment) on Closing (the "Acquisition Price"). If the transaction is subject to HST, then such HST shall be in addition to the Acquisition Price.

c. Closing Date

Closing will take place on the date that is sixty (60) days after the date on which the Second Option is exercised or such later date as may be agreed upon by the parties. The City shall be responsible for performing its due diligence prior to exercising the Second Option.

d. Contracts and Employees

On or before Closing, Mattamy shall, at its sole expense, cancel all service and maintenance contracts affecting the Property and terminate the employment of all employees employed by it working at the Property and pay them all severance, vacation pay and all other monetary and non-monetary benefits to which they are entitled and accrued to Closing.

e. Restrictive Covenants

The Agreement of purchase and sale created by the exercise of the Second Option will include restrictive covenants prohibiting the Property from being used for any purposes other than a Golf Course and/or Open Space/Green Space. Mattamy shall be entitled to register these restrictive covenants on title to the Property.

f. Buy-back of Property by Mattamy

The City will grant Mattamy the following options to repurchase the Property:

- i. In the event that more than 9 holes are converted to Open Space/Green Space, Mattamy will have the option to purchase the Clubhouse and Maintenance Area, for the sum of One (\$1) Dollar;
- ii. In the event that any part of the Property ceases to be used as a Golf Course and/or Open Space/Green Space, or if the City sells, conveys, transfers or otherwise disposes of the Property, Mattamy will have the option to repurchase the whole of the Property for the sum of Six Million (\$6,000,000.00) Dollars subject to the usual adjustments (excluding inflation on the repurchase price) on Closing (the "Acquisition Price"). If the transaction is subject to HST, then such HST shall be in addition to the Acquisition Price. Mattamy agrees to pay the Acquisition Price, or any part thereof, directly to the SCA if so directed by the City. Mattamy further agrees that if an agreement is reached between the City and the SCA to allocate the Acquisition Price between cash and parkland dedication, Mattamy shall make commercial reasonable efforts to provide such parkland dedication on the understanding that any land so dedicated shall be credited towards the Acquisition Price based on the then prevailing value of parkland acreage.

g. Second Option not exercised

If the City does not exercise the Second Option within the Second Option Notice Period or delivers written notice to Mattamy that it does not intend to exercise the Second Option, the Second Option will expire and be terminated and thereupon neither party will have any further rights or obligations with respect to the Second Option.

Expiration of Both Options

7. If neither the First Option nor the Second Option is exercised or if the resulting agreement of purchase and sale (or land exchange agreement, as the case may be) is terminated for any reason whatsoever, then, after October 30, 2029, Mattamy shall be entitled to submit any planning application to the City of Ottawa with respect to the property, on the understanding that any further development shall be subject to applicable planning regulation processes and the SCA and SWG shall be entitled to exercise such actions, recourse, and/or legal remedies as may be available including but not limited to further development applications provided, however, that Mattamy shall be entitled to bring this Agreement to the attention of any approval authority overseeing such development applications.

8. Notwithstanding anything herein, should the SCA (or alternate legal entity to be incorporated for purposes of the within proposed acquisition) be unable to secure the requisite funding to finance the acquisition of the Property through the levy option with the City of Ottawa, the SCA shall thereafter have until May 1, 2020 to find an alternative source of funding and to deliver satisfactory proof to Mattamy, as determined by Mattamy acting reasonably, that funds will be available to complete the acquisition of the Property failing which the First Option and Second Option shall be terminated and of no force and effect and Mattamy shall be relieved of its obligation to operate the Golf Course as described in section 3 above, and shall be free to submit any planning application to the City of Ottawa with respect to the Property.

Ability to Trigger the Options

9. Notwithstanding the foregoing, at any time after execution of the Agreement, the SCA or the City shall have the right to give written notice to Mattamy and the other party that the Notice of Termination has been deemed delivered, whereupon the First Option shall be triggered and, if applicable, thereafter the Second Option shall be triggered.

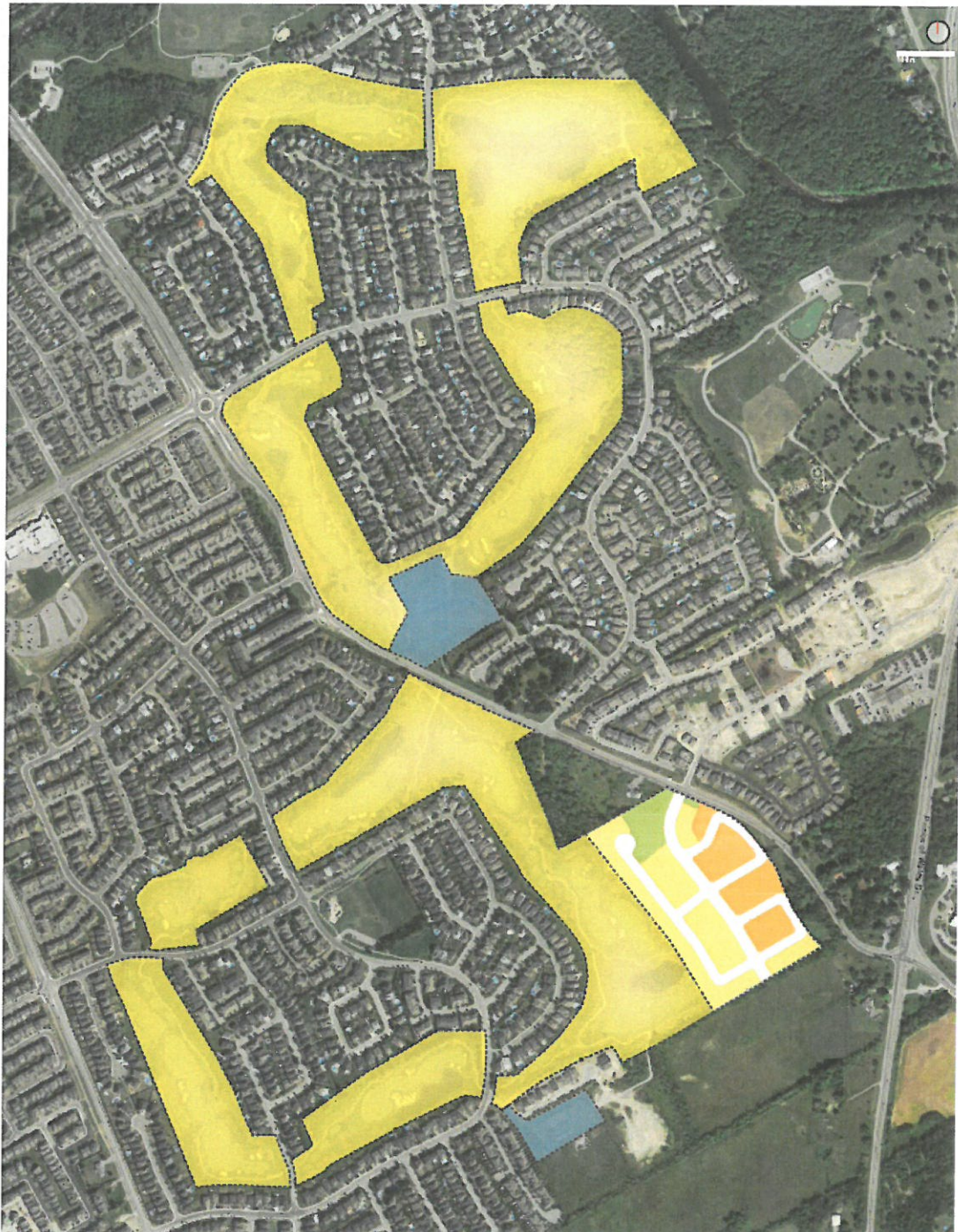
Mattamy (Monarch) Limited

Accepted this ____ day of _____, 2019.

Per: _____
Name:
Title:
I have authority to bind the corporation.

Per: _____
Name:
Title:
I have authority to bind the corporation.

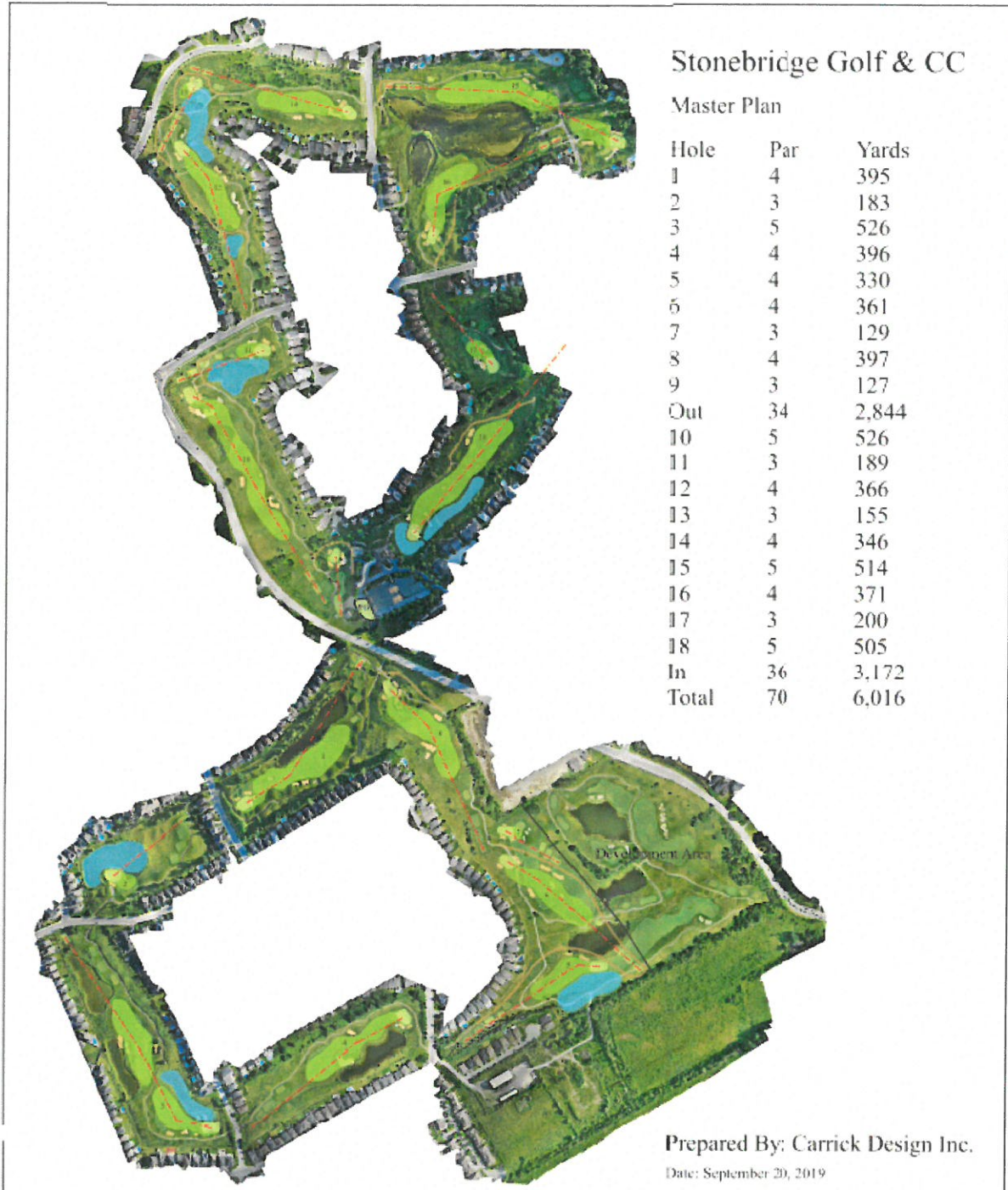
Schedule "A"



STONEBRIDGE GOLF COURSE

FIGURE 2
July 2019

Schedule "B"
Draft Routing Plan



Schedule "C"

Stonebridge Design and Architectural Elements

Streets

- Minimum local street width: 18 m
- Minimum window street width: 14 m

Zoning

- Residential Third Density Z Subzone (R3Z)

Lots

- A variety of 46', 43', 36' and 32' x 98' Singles (to be no smaller than 30'), 21' x 92' Townhouses, as determined by Mattamy in its sole discretion
- 80% of units backing onto the golf course shall be no smaller than 43' and the remainder no smaller than 36'
- Rear elevations, exterior paint colours and other design features shall be in keeping with the aesthetics of the Stonebridge Community

Restrictive Covenants to be applicable to new Phase 16 lots

The burden of each of the following restrictive covenants hereinafter set out shall run with each and every single and semi-detached building lot for a period of fifteen (15) years from the date of registration of same on title to these lots:

a) No building erected on the land shall be used for the purpose of any professions, trade, employment manufacture or business of any description, nor as a school, hospital, or other charitable institution, nor as a funeral home or crematorium, or anything in the nature thereof, nor as a hotel, apartment house, duplex, rooming house or place of public resort, nor form any sport or game other than such games as are customarily played in connection with the occupation of a private residence, nor for any other purpose than that of a private residence for the use of one family only and garage for the use of the occupants of such residence, nor shall the land without a building be so use, nor shall anything be done on the land or in any building thereon with may be an annoyance or nuisance to the occupiers of neighbouring lands. Provided that nothing herein contained shall be deemed to prevent on duly qualified medical practitioner from practising in any such private dwelling house where he resides, but this shall not be construed to permit any such practitioner or any other person to use such private dwelling house as a sanatorium, hospital, nursing home, or anything of that nature thereof.

b) No signs, billboards, notices or advertising matter of any kind shall be placed upon the land or anything growing thereon, or upon or in any buildings, fences or other things erected or placed thereon other than one sign advertising the property for sale or rent not larger than three feet (3') by two feet (2').

(c) and (d) are about not changing grading/swales/drainage and agreeing to above ground utilities etc.

e) No antennae, either television or radio transmitter or receiver including Satellite Earth Stations (dishes), or other communications devices, shall be erected on any building, structure or land other than a satellite dish measuring 18 inches or less in diameter and only upon prior approval by the Vendor as to the location for such installation, which approval may be arbitrarily withheld. In no event shall the satellite dish be erected on the front of the house.

f) No above ground swimming pools shall be erected on the land.

g) No exterior drying apparatus or device shall be erected on the land or attached to any house, dwelling or building other than a free-standing folding drying rack.

h) No boats, trailers, camping equipment, snowmobile, mobile homes or similar commercial or recreational vehicles shall be parked upon that portion of the lands located between the fronting street limit and the front wall of the dwelling and/or garage.

i) No living tree shall be cut down or removed from the land, other than those standing within an area to be excavated for the erection of a building thereon, without the prior consent in writing of the Vendor. No refuse or other materials shall be burned on the land. All trees required to be cut down, together with stumps, roots, brush and surface letter are to be removed by the Purchaser from this subdivision.

j) No fencing shall be installed or erected on the land without the prior written consent of the Vendor. The Purchaser acknowledges that all lots backing directly onto the golf course shall be fenced on such adjoining property line to the golf course with black chain link fencing only. In that regard, the Purchaser covenants to never remove such black chain link fencing and further covenants to never erect on his land any additional type of fencing materials within five (5) metres from such black chain link fencing. No fencing shall be installed or erected upon the lands between the face wall of the dwelling and adjoining garage and the street line, save and except for fences erected by the Vendor as part of the

overall landscaping scheme of the said plan of subdivision: on corner properties, no fence shall extend beyond the rear wall of the house forward down the side yard so as the view of that side of the house is distracted in any way.

k) No Purchaser shall keep on the land any livestock, chicken or pigeon coops, etc.

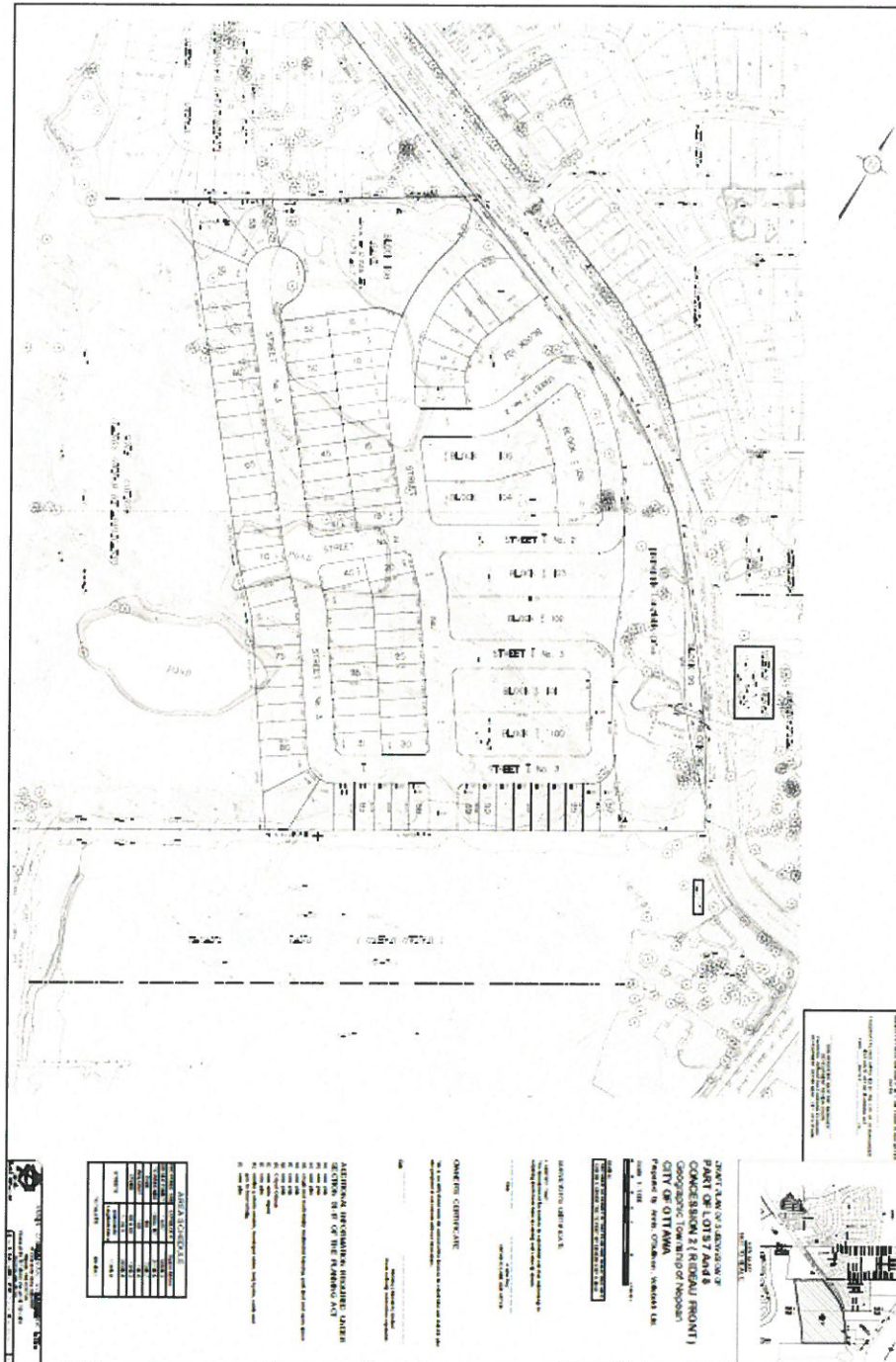
m) The original colours as chosen by the Vendor for the architecturally controlled exterior house colour package may not be altered without the prior written consent of the Vendor for fifteen (15) years from the initial transfer of the property from the Vendor in order to maintain architectural consistency throughout the community.

n) Purchaser acknowledges that all of the golf course is private property.

o) Purchaser agrees to inform successors in title of these restrictive covenants (successor clause)

Schedule "D"

Plan of Subdivision



Note: Frontage of lots backing onto the golf course shown on draft Plan of Subdivision to be revised to reflect frontage requirements set out in Schedule "C"