

MIDNAPORE LAKE

BROCHURE

KEITH CONSTRUCTION COMPANY LIMITED

15th JANUARY, 1977

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

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KEITH CONSTRUCTION COMPANY LIMITED, (KEITH) at its separate cost is constructing a recreational area (Midnapore Lake) on approximately 46 acres. The final acreage and boundaries of Midnapore Lake are subject to the approval of the City and other regulatory authorities but the general size and location thereof is shown on the plan which is part of this brochure.

Midnapore Lake Residents Association Ltd. ("the Association") was incorporated December 22nd, 1976, and each Homeowner resident in the Midnapore Subdivision and the spouse and unmarried children resident with the Homeowner are Members or Family Members of the Association incidental to such Homeowner's ownership of a residence in the Subdivision.

Copy of the Memorandum and Articles of Association of the Association are attached hereto.

On or before December 31st, 1982, KEITH will turn over to the Association title to Midnapore Lake and the facilities thereof for the sum of ONE DOLLAR (\$1.00) only and at the same time KEITH will assign to the Association all the Schedule "B" Encumbrances and money payable thereunder and Keith will turn over to the Members control of the Association all as provided in the Agreement dated December 22nd, 1976, a copy of which is attached hereto.

Each Member and Family Member will be allowed the use of Midnapore Lake subject to such Rules and Regulations as are made from time to time by KEITH until ownership and control are turned over to the Association. A breach of such Rules and Regulations may result in the suspension of the right of the Member to use Midnapore Lake. The Initial Rules and Regulations are attached hereto.

KEITH will own, operate and maintain Midnapore Lake until the turnover provided for in said Agreement of December 22nd, 1976. To pay for such operation and maintenance each residential property in the Subdivision will be encumbered with an Encumbrance substantially in the form of Schedule "B" attached hereto requiring payment to KEITH of \$150.00 per calendar year (prorated for the first year) as in said Encumbrance provided. The whole of the amounts paid under said Encumbrance will be used by KEITH for such operation and maintenance and as long as KEITH is operating KEITH will meet all additional costs and there will be no additional fees or charges payable by the Members.

This brochure constitutes THE ENTIRE AGREEMENT and understanding between KEITH and the undersigned regarding Midnapore Lake and no representations, warranties or promises have been made by KEITH save those herein contained.

No Member or Homeowner shall have any personal interest in Midnapore Lake or any part thereof or the proceeds of said Encumbrances other than as a Member of the Association and the right to Membership conferred hereby is not transferable and enures to the benefit of and is enforceable by each resident Homeowner of the Subdivision only as long as he remains resident owner of residential property in the Subdivision and only as provided in the Memorandum and Articles of the Association.

The undersigned is the purchaser of:

Lot _____, Block _____, Plan _____

in the Subdivision against which the Encumbrance is registered and the undersigned agrees to pay \$150.00 on the 1st day of January in each year hereafter as required by the Encumbrance and in addition to pay \$_____ for prorated payment for the current year.

As purchaser of the above specified lot the undersigned acknowledges having read all of the attachments hereto and agrees to their terms.

Signed by Purchaser of above specified lot,

this _____ day of _____, 197__

Print name of Purchaser.

No. 97907

Certificate of Incorporation

I Hereby Certify That

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

is this day incorporated under The Companies Act of the Province of
Alberta as a Limited Company.

Given under my hand and seal of office at Edmonton this twenty-
second day of December, A.D. 1976.

HAROLD J. THOMAS
Registrar of Companies

ALBERTA
CONSUMER AND
CORPORATE AFFAIRS

MEMORANDUM OF ASSOCIATION

- of -

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

1. The name of the Company is "MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD."
2. The objects for which the Company is established are:
 - (a) To own, maintain and operate a recreational centre; and
 - (b) to acquire and take over as a going concern from Keith Construction Company Limited, Midnapore Lake situate in the:
South East Quarter of Section Thirty-Four (34), and the South West Quarter of Section Thirty-Five (35), all in Township Twenty-Two (22), Range One (1), West of the Fifth Meridian and road allowances that intervene,
together with the parklands and walkways appurtenant thereto and all or any of the equipment, chattels and assets used in connection therewith; and
 - (c) To do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.
3. The liability of the members is limited.
4. Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding ONE DOLLAR (\$1.00).
5. The Company shall apply the profits, if any, or any other income of the Company solely in promoting the objects of the Company and no dividend whatsoever or other distribution of the property of the Company shall ever be paid to its members; PROVIDED ALWAYS that nothing herein shall prevent the payment in good faith, of reasonable and proper remuneration to any servant of the Company in return for any service actually rendered to the Company, but so that no officer, director or member of the Company shall be appointed to any salaried office in the Company, or any office in the Company paid by fees, and that no remuneration or other benefit in money or money's worth shall ever be paid or given by the Company to any member.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company pursuant to this Memorandum of Association.

NAMES, ADDRESSES AND OCCUPATIONS OF SUBSCRIBERS.

Evert M. Gustafson, Box 459, Okotoks, Alberta.
Executive.

Robert J. Kimoff, 811 Lake Placid Drive, S.E., Calgary, Alberta.
Executive.

Lowell H. Frodsham, 336 Lake Placid Green S.E., Calgary, Alberta.
Executive.

DATED this 16th day of December, A.D. 1976.

WITNESS TO THE SIGNATURES

Name	K. S. Dixon
Address	Calgary, Alberta.
Occupation	Barrister and Solicitor.

ARTICLES OF ASSOCIATION

- of -

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

TABLE "A"

1. The regulations contained in Table "A" in the First Schedule to The Companies Act do not apply to this Company.

INTERPRETATION

2. The headings used throughout these Articles shall not affect the construction hereof. In these Articles and the Memorandum of Association of this Company, unless the context otherwise requires, expressions defined in The Companies Act or any statutory amendment or modification thereof, shall have the meaning so defined, and

"the Company" means the above named Company;

"the Directors", "Board" and "Board of Directors" means the directors of the Company for the time being;

"Member" means a person for the time being entered in the Register of Members;

"Family Member" includes the spouse and children of and residing with a Member;

"month" means calendar month;

"office" means the registered office of the Company for the time being;

"secretary" includes any person appointed to perform the duties of secretary temporarily;

"Subdivision": means the part of the City of Calgary known as the Midnapore Subdivision situate in Section Thirty-Four (34) and the West Half of Section Thirty-Five (35), all in Township Twenty-Two (22), Range One (1), West of the Fifth Meridian and the road allowances that intervene and being the part shown on the plan which is paragraph 79 hereof;

"these presents" means and includes these Articles of Association, and any modification or alteration thereof for the time being in force;

"in writing" and "written" includes printing, typewriting, lithographing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telex or telegram;

words importing the singular number include the plural number and vice versa; words importing the masculine gender shall include the feminine and words importing persons include corporations and companies.

"The Companies Act" means the Companies Act of the Province of Alberta for the time being in force.

REGISTERED OFFICE

3. Subject to the provisions of The Companies Act, the Company may, by ordinary resolution of the directors change from time to time the place within the City of Calgary where the registered office of the Company is to be situated.

MEMBERS

4. The subscribers hereto shall be members until they resign. Every person owning a residential property in the Subdivision shall ipso facto be a Member as long as such person so owns such residential property and shall forthwith cease to be a Member at any time a residential property in the Subdivision is not owned by such person. PROVIDED ALWAYS:

- (a) Where there is more than one such owner the Member shall be the person designated as Member by all the owners of said property. In the absence of such designation the first person named as owner in the Certificate of Title or as Purchaser in an Agreement for Sales, shall be the Member; and
- (b) Where a residential property is owned by a corporation the Member shall be a person resident in said property and designated by the corporation as Member; and
- (c) Where a residential property is occupied by a tenant such tenant may be designated as Member by and instead of the owner of such property; and
- (d) In the event of difficulty or dispute in determining the Member the directors in their absolute discretion may designate the Member, the intention being that there be one Member from each residential property in the Subdivision and that the Member be a natural person resident in the Subdivision; and
- (e) The directors in their absolute discretion may admit at any time as a Member a person now owning and residing in residential property situate in Plans 4571-G.P., 664-F.R. and 274-F.L, subject to such requirements as may be imposed by the Directors from time to time; and
- (f) Membership is limited to not more than 3,500 persons; and
- (g) Membership is not transferable by a Member but is appurtenant to ownership and residence as herein set out.

REGISTER OF MEMBERS

- 5. (a) A register of Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Members. The Register shall be amended from time to time so that all Members are listed in the register of Members. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee not exceeding ONE DOLLAR (\$1.00) as set by the Board from time to time.

REGISTER OF FAMILY MEMBERS

- 5. (b) A register of Family Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in the register of Family Members. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee not exceeding ONE DOLLAR (\$1.00) as set by the Board from time to time.

MEMBERSHIP CARDS

- 5. (c) Every Member and Family Member shall be issued periodically with a Membership Card as determined by the directors.

RIGHTS OF MEMBERS AND FAMILY MEMBERS

- 6. Each member and Family Member shall have access to and be entitled to the use of the Company's recreational facilities in common with all other Members and Family Members subject to suspension of such rights:
 - (i) for breach of any Rule or Regulation for the conduct of Members; and
 - (ii) for default by the Member in payment of any fees, dues or other sum owing to the Company.

MEMBERS' MEETINGS

- 7. The first annual general meeting of the Company shall be held at such time, within sixteen (16) months from the date on which the Company is incorporated and at such place as the directors may determine. Subsequent annual general meetings shall be held at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding general meeting, at such time and place as may be determined by the directors.

8. (a) The general meetings referred to in the next preceding clause shall be called annual general meetings, and all other meetings of the Company shall be called special general meetings. All meetings of Members shall be held in the City of Calgary in the Province of Alberta;
- (b) No Family Member shall be entitled to notice of or to attend any meeting, general, special or otherwise of the Company.
9. The directors may, whenever they think fit, proceed to convene a special general meeting of the Company.
10. Where it is proposed to pass a special resolution, such notice as is required to be given by The Companies Act, and in all other cases at least Ten (10) days' notice specifying the day, hour and place of every Members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provided on the Members registered in the Members' register at the time such notice is served or if a record date has been fixed by the directors, on the Members registered in the Register of Members at the record date as so fixed. PROVIDED ALWAYS that a meeting of the Members may be held for any purpose, at any time and at any place without notice, if all the Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Members shall have signified their assent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any Member or the duly appointed proxies of any Members. It shall not be necessary to give notice of any adjourned meeting.
11. Irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Member or Members, shall not invalidate any resolution passed or any proceedings taken at any meeting or shall not prevent the holding of such meeting.

PROCEEDINGS AT MEMBERS' MEETINGS

12. All business shall be deemed special that is transacted at a special general meeting and all that is transacted at an annual general meeting, with the exception of consideration and approval of the financial statements and the ordinary report of the directors, auditors and other officers, the election of directors, the appointment of auditors, the fixing of the remuneration of the auditors and the transaction of any business which under these presents ought to be transacted at a general meeting. Special business or a special resolution may be passed at an annual general meeting provided the requisite notice has been given.
13. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, five per centum (5%) of the members either personally present or represented by proxy shall be a quorum.
14. The president, or in his absence the vice-president (if any) shall be entitled to take the chair at every general meeting, or if there be no president or vice-president, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Members present shall choose another director as chairman, and if no director be present, or if all the directors present decline to take the chair, then the Members present shall choose one of their number to be chairman. The chairman at any meeting of Members may appoint one or more persons who are Members to act as scrutineers.
15. If within half an hour from the time appointed for the meeting a quorum is not present, that the meeting be permitted to proceed and duly constituted by the members personally present or represented by proxy.
16. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise have a casting vote in addition to the vote to which he may be entitled as a Member.

17. (a) At any meeting unless a poll is demanded by the chairman or by one-tenth of the Members present a declaration by the chairman that a resolution has been carried or carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (b) If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
18. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

VOTES OF MEMBERS

19. On a show of hands every Member present in person, including the proxy or representative of a Member shall have one vote. No Family Member shall be entitled to vote in person or by proxy.
20. Votes may be given either personally or by a nominee appointed by a proxy.
21. A proxy shall be in writing in any effectual form under the hand of the appointer or of his attorney duly authorized in writing, and need not be attested. A person appointed proxy must be a Member.
22. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument.
23. The proxy shall be deposited at the registered office of the Company or such other place as may be specified in the notice of meeting not less than twenty-four (24) hours before the time for holding the meeting at which the person named in the instrument proposes to vote. In any default of such deposit the proxy shall not be treated as valid.
24. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no intimation in writing of the death or revocation shall have been received before the meeting at the place where the proxies are to be deposited.
25. No Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Member at any general meeting, or upon a poll, or to be reckoned in a quorum whilst any sum shall be due or payable to the Company by such Member.

BORROWING POWERS

26. The directors may from time to time at their discretion raise or borrow money for the purpose of the Company's business in amounts in the aggregate not exceeding Five Thousand Dollars (\$5,000.00) at any time.

DIRECTORS

27. Until otherwise determined by a general meeting, the number of directors shall be not less than three (3) or more than fifteen (15).
28. The subscribers hereto shall be the first directors of the Company.
29. The directors shall have power from time to time and at any time, to appoint any other person or persons as a director or directors, either to fill a casual vacancy or vacancies or as an addition or additions to the Board, but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles or by a general meeting.

30. A director must be a Member of the Company.
31. The directors shall not be paid out of the funds of the Company by way of remuneration for their services as directors.
32. A director may retire from office upon giving five (5) days' notice in writing to the Company of his intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
33. The office of a director shall ipso facto be vacated:
- (1) If he is found a lunatic or becomes of unsound mind;
 - (2) If by notice in writing to the Company he resigns his office upon the time hereinafter fixed for the resignation to take effect or the previous acceptance of the same;
 - (3) If he be removed by resolution of the Company, as hereinafter provided.
34. A director shall be disqualified by his office from holding any office or place of profit under the Company and from contracting with the Company either as a vendor, purchaser or otherwise howsoever.
35. At the first annual general meeting and at every succeeding annual general meeting, all of the directors, howsoever appointed or elected, shall retire from office. A retiring director shall retain office until the dissolution of the meeting at which his successor is elected. If at any general meeting at which an election of directors ought to take place, no such election takes place, the retiring directors shall continue in office until the annual general meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of directors.
36. A retiring director shall be eligible for re-election.
37. The Company at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be directors, or in case any change in the number of directors is made at any such meeting by electing the number of persons to be directors as may be fixed by such meeting.
38. The Company may, by special resolution, at any time remove any or all of the directors before the expiration of his or their period of office and by ordinary resolution appoint another or other qualified person or persons in his or their stead; and the person or persons so appointed shall hold office during such time only as the director or directors in whose place he is or they are appointed would have held the same if he or they had not been removed.

REGISTER OF DIRECTORS AND MANAGERS.

39. The directors shall duly comply with the provisions of The Companies Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the keeping of the registers of the directors and managers and their addresses and occupations, the signing of the balance sheet, the filing with the Registrar of Companies an annual report and copies of special and other resolutions and of any change in the registered office or of directors and, where applicable, the mailing of a form of proxy and the issuing of information circulars.

PROCEEDINGS OF DIRECTORS.

40. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings, and may declare the quorum necessary for the transaction of business, but until the directors make such determination, one-half of the directors shall be a quorum.
41. Meetings of the board of Directors shall be held in the City of Calgary in the Province of Alberta. The directors may make regulations in regard to the manner and time that notice shall be given of such meetings. Until such regulations are made, meet-

ings of the board may be held at any time without formal notice if all the directors are present or those absent have signified their consent in writing to the meeting being held in their absence; and notice of any meeting where notice has not been dispensed with, delivered or mailed or telegraphed to each director at his ordinary address two (2) days prior to such meeting, shall be sufficient notice of any meeting of the directors. In computing such period of two (2) days the day on which such notice is delivered, mailed or telegraphed shall be included, and the day for which notice is given shall be excluded. Notice of any meeting, or irregularity in any meeting or in the notice thereof, may be waived by any director. The directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place than the entry of such resolution upon the minutes of the meeting at which it was passed shall be necessary. Immediately upon the conclusion of the annual general meeting a meeting of the directors shall be held and no notice of such meeting shall be necessary.

42. Any director may participate in a meeting of the board of directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a director participating in a meeting pursuant to this article shall be deemed to be present in person at that meeting and the meeting shall be deemed to have been held at such place in Canada as the directors may from time to time determine.

43. The president may, or the secretary shall at the request of a director, at any time convene a meeting of directors.

44. Questions arising at any meeting of directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall have a second or casting vote.

45. The continuing directors may act notwithstanding any vacancy in their number; but if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of directors, the continuing directors may act only for the purpose of increasing the number of directors to that number or of summoning a general meeting of the Company, but for no other purpose.

46. The directors may approach one of their number to be chairman of the board of directors, and in the absence of such appointment the president for the time being of the Company shall be chairman of the board. If the chairman is not present at any meeting at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

47. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the directors generally.

48. The directors may delegate any of their powers to committees consisting of such one or more member or members of the board as they think fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the directors.

49. The meetings and proceedings of any such committee consisting of two (2) or more members of the board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, including the appointment of a quorum, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the past preceding clause.

50. All acts done at any meeting of the directors, or of a committee of directors or any person acting as a director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

51. A resolution in writing, signed by all the directors without their meeting together, (which may be executed in several counterparts) shall be as valid and effectual as if it

had been passed at a meeting of the directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

MINUTES

52. The directors shall cause minutes to be duly entered in books provided for the purpose:

- (a) Of all appointments of officers;
- (b) Of the names of directors present at each meeting of the directors and of any committee of directors;
- (c) Of all resolutions made by the directors and committees of directors;
- (d) Of all resolutions and proceedings of general meetings.

And any such minutes of any meetings of the directors or of any committee of directors, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

53. The management of the business of the Company shall be vested in the directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Members in general meeting; and without restricting the generality of the foregoing the Directors shall exercise general supervision of the affairs of the Company and may from time to time make rules and regulations in relation to the Company, and may at any time in like manner annul or vary any rules and regulations so made, and all rules and regulations so made and for the time being in force shall be binding on the Members of the Company, and shall have full effect accordingly; and it is expressly declared that the following shall be deemed to be rules and regulations in relation to the Company within the meaning of this clause, that is to say, regulations:

- (a) As to proof required from persons claiming to be eligible to be Members, and Family Members;
- (b) As to the annual, quarterly or other subscriptions or payments to be payable by the Members of the Company;
- (c) As to honorary Members (if any) and visitors and guests;
- (d) As to the manner in which a Member's use of the Company's facilities may be suspended or terminated;
- (e) As to the use of the Company's facilities by Members and Family Members;
- (f) As to committees of Members in connection with the management of the Company, and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of Members of such committees.

OFFICERS

54. The Officers of the Company shall consist of a president, a secretary and a treasurer, or a secretary-treasurer and such other officers as the directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the directors, shall have such powers as are usually incidental to such offices.

55. The president shall be elected by the board from amongst their number. The secretary and the treasurer or secretary-treasurer of the Company shall be appointed by the Board. The Board may appoint an assistant secretary, who shall be empowered to act in the absence of or under the direction of the secretary in the performance of the duties of the secretary. The directors may appoint a temporary substitute for any of the

above officers, who shall for the purposes of these presents be deemed to be the officer the position of whom he occupies.

56. Any executive officer of the Company shall be entitled to attend any Members' meeting.

SEAL

57. The Company shall have a corporate seal which shall be of such form and device as may be adopted by the directors, and the directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a director or directors or other persons, to attest by their signatures that such seal was duly affixed.

DIVIDENDS

58. As the Company is formed solely for the purpose of promoting recreation amongst its Members and it is the intention of the Company to apply the profits, if any, or any other income of the Company in promoting its objects and as the Company is not formed with gain for its object no dividend whatsoever and no part of the income of the Company shall be divided among, payable to or be available for the personal benefit of any Member of the Company.

RESERVES AND FUNDS

59. The directors may set aside any of the profits of the Company to create a reserve or reserves to provide for maintaining the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits of the Company may be lawfully used. The directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to place to reserve.

60. The directors may create a fund or funds out of the assets of the Company not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the fund or funds either by employing them in the business of the Company or investing them in such manner as they shall think fit, and the income arising from such fund or funds shall be treated as part of the profits of the Company for the year in which such income arose. Such funds may be applied for the purpose of maintaining the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may lawfully be used.

61. The directors may from time to time increase, reduce or abolish any reserve or reserve fund in whole or in part and may transfer the whole or any part to surplus.

ACCOUNTS

62. The directors shall cause true accounts to be kept of the sums of money received and disbursed by the Company and the manner in respect of which said receipts and disbursements take place, of all sales and purchases by the Company and of the assets and liabilities of the Company and of all other transactions affecting the financial position of the Company.

63. The books of account and accounting records shall be kept at the registered office of the Company or, subject to the limitations of The Companies Act in this regard, at such other place or places as the directors think fit, and shall be open to inspection of the directors and duly authorized representatives of The City of Calgary during the normal business hours of the Company.

64. The directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, or any of them shall be open to the inspection of Members not being directors, and no Member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the directors or by the Company in general meeting.

65. The directors shall lay before each annual meeting of the Members a financial statement and the report of the auditor to the Members thereon. The financial statement shall:

- (a) be approved by the board of directors and signed by two (2) of them;
- (b) cover a period that ended not more than six (6) months before the annual meeting;
- (c) subject to the provisions of The Companies Act, contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year next preceding it;
- (d) be made up of:
 - (i) a statement of profit and loss for each period,
 - (ii) a statement of surplus for each period,
 - (iii) subject to the provision of The Companies Act, a statement of source and application of funds for each period; and
 - (iv) a balance sheet as at the end of each period

with each statement containing the information required by The Companies Act to be disclosed in such statements.

66. Subject to the provisions of The Companies Act, a copy of the financial statement and a copy of the auditor's report shall be sent to each Member (not including Family Members) by prepaid post ten (10) days or more before the date of the annual meeting.

67. Subject to the provisions of The Companies Act, a comparative six-month interim financial statement shall be sent to each Member as required by The Companies Act.

NOTICES

68. Any notice may be served by the Company on any Member either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Member or by telegraphing it prepaid to such Member at his address as the same appears in the books of the Company, or if no address is given therein, to the last address of such Member known to the secretary. If no address is known to the secretary a notice posted up in the registered office of the Company shall be deemed to be well served on such Member upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into the post office or into one of Her Majesty's letter boxes.

69. Any notice or document delivered or sent by post or left at the address of any Member as the same appears on the books of the Company or posted in the registered office of the Company as hereinbefore provided, shall, notwithstanding such Member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served until some other person is entered in his stead in the books of the Company as a Member, and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons interested with such Member.

70. The signature on any notice to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

71. Where a given number of days notice or a notice extending over any other period is required to be given, the day of service of the notice and the day for which notice is given shall, unless it is otherwise provided, be counted in such number of days or other period. ',

72. A certificate of the secretary or other duly authorized officer of the Company in office at the time of the making of the certificate as to the facts in relation to the mailing or telegraphing or delivery or posting up of any notice to any Member, director or officer

or publication of any notice, shall be prima facie evidence thereof and shall be binding on every Member, director or officer of the Company, as the case may be.

73. It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Members unless the same is special business.

74. A special general meeting and the annual general meeting may be convened by one and the same notice, and it shall be no objection to the said notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

RECORD DATE

75. The directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Members as a record date for the determination of the Members entitled to notice of, and to vote at, any such meeting, and only the Members of record in the Register of Members at the close of business on that date so fixed shall be entitled to such notice of, and to vote at, such meeting, notwithstanding any change of Members on the Register of Members after any such record date fixed as aforesaid.

INDEMNITY

76. Except as otherwise hereinafter provided every director, manager, secretary and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the directors, out of the funds of the Company, to pay, all losses and expenses which any such director, manager, secretary, officer or servant shall incur or become liable to by reason of any contract entered into or act or thing done by him as such director, manager, secretary, officer or servant, or in any way in discharge of his duties.

77. Any person made a party to any action, suit or proceedings by reason of the fact that he, his testator or intestate, is or was a director, manager, secretary, or other officer, agent or servant of the Company, or of any corporation which is served as such at the request of the Company, shall be indemnified by the Company against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such director, manager, secretary, or other officer, agent or servant is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any director, manager, secretary, or other officer, agent or servant in any proper case not provided for herein.

78. No director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for the loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, or unless it is otherwise provided in a contract of service with such director or officer.

See attached: page 15(articles).jpg

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS.

Evert M. Gustafson, Box 459, Okotoks, Alberta. Executive.

Robert J. Kimoff, 811 Lake Placid Drive, S.E. Calgary, Alberta. Executive.

Lowell H. Frodsham, 336 Lake Placid Green S.E. Calgary, Alberta. Executive.

DATED at the City of Calgary, in the Province of Alberta, this 16th day of December,
A.D. 1976.

WITNESS:

Name: K. S. Dixon

Address: Calgary, Alberta.

Occupation: Barrister & Solicitor.

THIS AGREEMENT made this 22nd day of December A.D. 1976.

BETWEEN:

KEITH CONSTRUCTION COMPANY LIMITED, a body corporate having a place of business in the City of Calgary in the Province of Alberta, (hereinafter called "Keith")

OF THE ONE PART

- and -

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD., a body corporate with its registered office in the said City, (hereinafter called "the Association")

OF THE OTHER PART

WHEREAS Keith is the owner of lands situate in: South East Quarter of Section Thirty-Four (34), and the South West Quarter of Section Thirty-Five (35), all in Township Twenty-Two (22), Range One (1), West of the Fifth Meridian and the road allowances that intervene,

and comprising Midnapore Lake with the parklands and walkways with approximate boundaries and area identified on the plan which is Schedule "A" hereto (hereinafter called "Midnapore Lake");

AND WHEREAS Keith has created Midnapore Lake with the intention that Midnapore Lake be a private recreational park area for the residents of the part of the said City within the Subdivision identified on said Schedule "A" (hereinafter called "the Subdivision") or otherwise all as provided for in the constitution of the Association;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties hereto are agreed as follows:

1. Keith is constructing Midnapore Lake and will equip the same with such pumps, aeration and gardening equipment, buildings and the like as are reasonably necessary for the operation of same, all at Keith's cost.
2. Keith will continue to own Midnapore Lake and operate and maintain the improvements thereon until the 31st day of December 1982, or such earlier date as Keith in its sole discretion may determine. The 31st day of December 1982 or such earlier date shall be the "effective date" of this agreement.
3. Keith will not permit anyone to use Midnapore Lake except Members and Family Members of the Association and their guests and, until the effective date, a limited number of Keith's nominees.
4. Keith as the owner of all of the building lots in the Subdivision (which building lots shall not exceed THIRTY-FIVE HUNDRED (3,500) in the aggregate) will upon the initial sale by Keith of each such lot or residential property cause the same to be encumbered by an Encumbrance substantially in the form of Schedule "B" hereto and will use all moneys paid under such encumbrances and received by Keith for the operation and maintenance of the improvements on Midnapore Lake. Until the effective date Keith will meet all additional costs of operation and maintenance (if any) of Midnapore Lake out of Keith's separate funds.

5. On or about the effective date Keith, for a total nominal consideration of ONE DOLLAR (\$1.00) will deliver to the Association:

- (a) a good and sufficient Transfer under "The Land Titles Act" of Midnapore Lake which on registration will cause Midnapore Lake to vest in the name of the Association free and clear of all encumbrances, liens and debts, but subject to Restrictive Covenant in the form which is Schedule "C" hereto which Restrictive Covenant the Association agrees to execute and deliver for registration against Midnapore Lake upon the request of Keith; and
- (b) a Bill of Sale of all chattels belonging to Midnapore Lake; and
- (c) a Transfer and Assignment in favour of the Association of each and every of the said Schedule "B" Encumbrances and all of the benefit and advantage thereof and from and after the effective date all moneys payable under and secured by Schedule "B" Encumbrances shall belong to the Association. If on the effective date all the Subdivision lots and residential properties have not been sold by Keith, Keith will from time to time deliver to the Association transfers and assignments of Schedule "B" Encumbrances registered after the effective date. Payments under the Schedule "B" Encumbrances shall be adjusted between Keith and the Association as of the effective date on the basis that each payment under such Encumbrance is for a calendar year.

6. On the effective date Keith will turn over to the Association all plans and information in Keith's possession and relating to the construction and operation of Midnapore Lake.

7. On the effective date the directors of Keith who are the subscribers to the Memorandum and Articles of Association of the Association and the first directors thereof (and their successors, if any) will perform and concur in all corporate acts and other matters necessary or expedient to cause the directors and officers of the Association to be duly elected by the members of the Association from members of the Association resident in the Subdivision, and such directors of Keith shall thereupon cease to be directors of the Association and shall no longer be members of the Association.

8. Keith when and as requested will during a reasonable period after the effective date make available to the directors and officers of the Association information, guidance and assistance in the management and operation of the Association and of Midnapore Lake.

9. Until the effective date Keith shall have the sole management and control of Midnapore Lake and the Association shall not be entitled to possession of Midnapore Lake and shall not have any say in or control over Midnapore Lake or the management, operation or maintenance of the same PROVIDED ALWAYS that each Member and Family Member of the Association and their guests shall have access to and the right to use Midnapore Lake in common with all other members subject to the direction of Keith and SUBJECT to observance of the Rules and Regulations which are Schedule "D" hereto, and any Rules or Regulations made prior to the effective date by Keith in substitution thereof or amendment thereto PROVIDED ALWAYS that a Member's access to and right to use Midnapore Lake may be suspended by Keith if the Encumbrance registered against the Member's residence is in default or if the Member is in default with respect to the Rules and Regulations.

10. That this agreement constitutes THE ENTIRE AGREEMENT between the parties and no representations, warranties or promises have been made by Keith to the Association save those herein contained.

IN WITNESS WHEREOF the parties hereto have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective proper officers thereunto authorized the day and year first above written.

KEITH CONSTRUCTION COMPANY LIMITED

per: "E. M. Gustafson"
President.

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

per "L. H. Frodsham"
Secretary.

See attached: page 19(articles).jpg

MIDNAPORE LAKE Encumbrance

To Secure Annual Rent Charge of \$150.00

PURSUANT TO "THE LAND TITLES ACT".

Of _____ in the City of Calgary in the Province of Alberta,

_____, as encumbrancer (hereinafter Called "the Owner") being registered as owner of an estate in fee simple in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum endorsed hereon or expressed or implied in the existing Certificate of Title of that piece of land situate in the Province of Alberta and Dominion of Canada being composed of:

EXCEPTING and RESERVING such exceptions and reservations as are expressed in the existing Certificate of Title or may be implied in connection therewith, (hereinafter called "said land"), and desiring to render said lands available for the purpose of securing to and for the benefit of KEITH CONSTRUCTION COMPANY LIMITED, a body corporate incorporated under The Companies Act with its registered office at 9739 - Macleod Trail, in said City of Calgary, as encumbrancee (hereinafter called "Keith") the rent charge hereinafter mentioned, DO HEREBY ENCUMBER said land for the benefit of Keith with the annual rent charge of ONE HUNDRED AND FIFTY DOLLARS (\$150.00) for each calendar year to be paid to Keith in lawful money of Canada, at Keith's office in the City of Calgary, aforesaid (or such other place in said city as Keith may from time to time or at any time designate in writing) on the 1st day of January in each and every year during the currency hereof until and including the year 2077 and to pay in addition thereto, at or before the execution hereof, for the part of the current year after the date of sale of said lands by Keith the prorated portion of ONE HUNDRED AND FIFTY DOLLARS (\$150.00).

And in consideration of the Owner's covenants hereinafter set out KEITH DOTH HEREBY COVENANT AND AGREE with the Owner and with the Mortgagee hereinafter mentioned:

- (a) That this Encumbrance and the rent charge secured hereby are subordinate to and are hereby postponed to each and every mortgage and every other security and to each and every advance made thereunder, whenever and however granted, where such Mortgagee or the holder of other security was at the time of granting or making thereof, or at any time prior thereto, a lender or an approved lender under the provisions of the National Housing Act and whether or not such mortgage or other security was granted or made pursuant to the National Housing Act or any Act passed or enacted in amendment thereof or substitution therefor or otherwise and whenever requested so to do Keith shall, without delay, execute and deliver to such Mortgagee a postponement of this Encumbrance to such mortgage or other security in the form prescribed by The Land Titles Act or any Act passed or enacted in amendment thereof or substitution therefor; and
- (b) That the obligation to pay the said rent charge shall be and is hereby suspended and the amount thereof shall abate for such period or periods as the land may be owned by such lender or by such approved lender or by Central Mortgage and Housing Corporation pursuant to a claim against it under a mortgage insurance policy issued under the National Housing Act or any Act passed or enacted in amendment thereto or substitution therefor.

AND THE OWNER DOTH HEREBY COVENANT, ACKNOWLEDGE AND AGREE THAT:

1. The true consideration for the granting of this Encumbrance and for the covenant to pay the rent charge hereby secured is the sale by Keith of said land to the Owner; and
2. The Owner shall pay said rent charge at the times and place hereinbefore set forth without deduction or defalcation; and that any amount in default shall bear interest at the rate of 1.5% per month and payment of such interest shall be secured by these presents.
3. Keith shall be entitled to and is hereby granted the right of distress together with all powers and remedies of an Encumbrancee under The Land Titles Act; and
4. Any discretion, option, decision or opinion hereunder on the part of Keith shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or an executive officer of Keith or any officer or agent appointed by Keith for such purpose; and
5. Any notice to be given by Keith to the Owner may be forwarded by ordinary mail addressed to the Owner at the civic address of said land or to the last post office address of the Owner known to Keith and shall be deemed to have been received by the Owner within the ordinary time required for delivery of mail from the post office where mailed to such address; and
6. The words in the hereinbefore contained covenants, provisos, conditions and agreements referring to the Owner which import the singular number shall be read and construed as applied to each and every Owner male or female and to his or her executors, administrators and assigns, and in the case of a corporation, to such corporation and its successors and assigns, and that in case of more than one Owner, the said covenants, provisos, conditions and agreements shall be construed and held to be several as well as joint; and
7. These presents shall enure to the benefit of Keith's successors and assigns and shall be binding upon the Owner and the Owner's executors, administrators, assigns and successors in title.

IN WITNESS WHEREOF the Owner has subscribed, affixed the Owner's seal and delivered these presents as the Owner's

deed this day of 19.....

SIGNED, SEALED AND DELIVERED

(Seal)

by the Owner, in the presence of:

(Seal)

SCHEDULE "C"

THIS AGREEMENT made as of the day of A.D. 19 .

BETWEEN:

KEITH CONSTRUCTION COMPANY LIMITED, a body
corporate having a place of business in the City of
Calgary in the Province of Alberta, (hereinafter called
"Keith")

OF THE ONE PART

- and -

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD., a
body corporate having a place of business in the said
City, (hereinafter called the "Association")

OF THE OTHER PART.

WHEREAS by Agreement dated 22 December 1976 Keith agreed to sell and transfer
to the Association the lands described as:

(NOTE: Here will be described the 46 acres more or less
comprising Midnapore Lake and the parklands and
walkways thereof)

(hereinafter referred to as "Midnapore Lake") upon the terms and
conditions in said Agreement set forth;

AND WHEREAS it is a condition of the said sale and transfer that the use of Midnapore
Lake be restricted as herein set out;

NOW THIS AGREEMENT WITNESSETH that in pursuance of the premises and for
valuable consideration the Association covenants with Keith that no building, fence, wall or
erection shall ever be made, placed or permitted upon Midnapore Lake or any part thereof
except for such suitable and proper improvements as may be required for the operation
and maintenance of the lake, recreational areas and other facilities of Midnapore Lake and
no business except the business of the Association shall ever be carried on on Midnapore
Lake, and the same shall not be used except as open air recreational space.

It is declared and agreed that the above mentioned restrictions shall continue in force
in perpetuity and shall operate as covenants running with the lands, for the benefit of the
land lying within:

(NOTE: Here will be described the residential lots
within the Midnapore Subdivision)

(hereinafter called "the Subdivision")

and each and every part thereof and shall be enforceable by Keith and every other person
now or hereafter seized or possessed of any part of the Subdivision, any and the breach of
of said restrictions or the continuance of any such breach shall joined, be restrained, enof
abated, or remedied by appropriate proceedings by Keith or any such persons.

IN WITNESS WHEREOF, MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD., has
caused its corporate seal to be hereunto affixed and these presents to be signed by its
proper officer thereunto authorized, the day of A.D. 19

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

per _____

MIDNAPORE LAKE RESIDENTS ASSOCIATION LTD.

RULES AND
REGULATIONS

15th January 1977

Midnapore Lake and the parklands and walkways appurtenant thereto (Midnapore Lake) are for the exclusive use of Members and Family Members of Midnapore Lake Residents Association Ltd. (the Association) and their guests.

All members and guests are permitted the use of Midnapore Lake entirely at their own risk, and use Midnapore Lake subject to the following Rules and Regulations:

HOURS:

The hours for use of Midnapore Lake and its facilities will be posted from time to time and no Member or other person will be permitted on Midnapore Lake except during the hours specified.

MEMBERS:

Members should carry their Membership Cards at all times and present them for inspection upon request of the Manager or Security Guard of Midnapore Lake. Membership Cards must not be loaned at any time.

GUESTS:

Members are permitted a reasonable number of guests.

All guests must at all times be accompanied by a Member and a Family Member under the age of 16 years may have not more than two (2) guests at any one time.

Members are at all times responsible for their guests.

PROHIBITIONS:

No person shall at any time have or take on Midnapore Lake:

any glass bottle; or

any other glass product; or

any intoxicating liquor; or

any animal; or

any bicycle or other vehicle; or

any open fire; or

any motor boat or snowmobile

all of which are strictly prohibited at all times.

BOATING:

All sail boats on the Lake shall be in the charge of a Member or Family Member at least 16 years of age, and each person under the age of 17 years in a boat shall have passed adequate Red Cross or equivalent swimming tests.

In the event of an accident the safety rule is STAY WITH THE BOAT UNTIL ASSISTANCE ARRIVES.

All boats should Immediately come ashore if potentially hazardous conditions arise (lightning, dangerous winds or storm conditions).

No boat shall be operated in a careless or dangerous manner.

FISHING:

Fishing privileges are restricted to Members and Family Members. Guests are not permitted to fish.

Daily limit is five (5) trout per

Member. No live bait may be used.

No cleaning of fish is permitted on Midnapore Lake.

Lake.

While fishing each Member must carry his Membership Card.

SECURITY GUARD:

The Security Guard's duties are to enforce these Rules and Regulations and to protect the property of the Association and the Security Guard is authorized to do these things.

The Security Guard will not act as supervisor or babysitter.

Keith Construction Company Limited shall have the right to make such other and further reasonable Rules and Regulations as in its judgment may from time to time be needful for the safety, care and cleanliness of Midnapore Lake and for preservation of good order therein, and they shall be kept and observed by Members and Family Members and their guests.

ALL TRASH SHALL BE DEPOSITED IN THE RECEPTACLES PROVIDED OR SHALL BE CARRIED AWAY FROM MIDNAPORE LAKE.

LET'S KEEP OUR LAKE AND PARK AREA SAFE AND CLEAN!