

DALHOUSIE LAKE ASSOCIATION INC.-NO. 392597
CONSTITUTION AND BYLAWS
AS ACCEPTED OCTOBER 26, 1978.

HEAD OFFICE

1. The Head Office of the Corporation shall be in the Town of Smiths Falls, in the Province of Ontario, and at such place there-in as the directors may from time to time determine.

SEAL

2. The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of the Corporation.

BOARD OF DIRECTORS

3. The affairs of the Corporation shall be managed by a board of 6 directors, each of whom at the time of his election or with- in 10 days thereafter and throughout his term of office shall be a member of the Corporation. Each director shall be elected to hold office until the first annual meeting after he shall have been elected or until his successor shall be duly elected and qualified. The whole board shall be retired at each annual meeting, but shall be eligible for re-election if otherwise qualified. The election may .be by a show of hands unless a ballot is demanded by any member. The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his term of office, and may, by a majority of the votes cast at that meeting, elect any person in his stead for the remainder of his term.

For the purpose of electing directors the lake shore and adjoining land shall be divided into **six** areas as set forth in Appendix A and one director shall be elected from each area. '

VACANCIES, BOARD OF DIRECTORS

4. Vacancies on the board of directors, however caused, may so long as a quorum of directors remain in office, be filled by the directors from among the qualified members of the Corporation, if They shall see fit to do so, otherwise such vacancy shall be filled at the next annual meeting of the members at which the directors for the ensuing year are elected, but if there is not a quorum of directors, the remaining directors shall forthwith call a meeting, of the members to fill the vacancy. If the number of directors is increased between the terms, a vacancy or vacancies, to the number of the authorized increase, shall thereby deemed to have occurred, which may be filled in the manner above provided.

QUORUM AND MEETINGS, BOARD OF DIRECTORS

5. A majority of the directors shall form a quorum for the-transaction of business. Except as otherwise required by LAW, *the* Board of directors may hold its meetings at such places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the Directors are present, or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the President or Vice-President or PY the Secretary on direction of the President or Vice-President, or by the Secretary on direction in writing of two directors.

Notice of such meetings shall be delivered, telephoned or telegraphed to each director not less than one day before the meeting is to take place or shall be mailed to each director not less than two days before the meeting is to take place. The statutory declaration of the Secretary or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meetings no notice need be sent. A directors' meeting may also be held, without notice, immediately following the annual meeting of the Corporation. The directors may consider or transact any business either special or general at any meeting of the board.

ERROR IN NOTICE, BOARD OF DIRECTORS

6. No error or omission in giving such notice for a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

VOTING, BOARD OF DIRECTORS

7. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman, in addition to his original vote, shall have a second or casting vote. All votes at any such meeting shall be taken by ballot if so demanded by any director present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution. In the absence of the President his duties may be performed by the Vice-President or •• such other director as the board may from time to time appoint for the purpose.

POWERS

8. The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

Without in any way derogating the foregoing, the directors are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

REMUNERATION OF DIRECTORS

9. The directors shall receive no remuneration for acting as such.

OFFICERS OF CORPORATION

10. There shall be a President, a Vice-President, a Secretary; and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the board of directors may determine by by-law from time to time. One person may hold more than one office except the offices of President and Vice- President. The President and Vice-President shall be elected by the board of directors from among their number at the first meeting of the board after the annual election of such board of: directors, provided that in default of such election the then. Incumbents, being members of the board, shall hold office until their successors are elected. The other officers of the Corporation need not be members of the board and in the absence of written agreement to the contrary, the employment of all officers shall be settled from time to time. By the board.

DUTIES OF PRESIDENT AND VICE-PRESIDENT

11. The President shall, when present, preside at all meetings of the members of the Corporation and of the board of directors, the President shall also be charged with the general management and supervision of the affairs and operation of the Corporation. .. The President with the Secretary or other officer appointed by: the board for the purpose shall sign all by-laws and membership certificates. During the absence or inability of the President, his duties and powers may be exercised by the Vice-President, and ~ if the Vice-President, or such other director as the board may; from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto.

DUTIES OF SECRETARY

12. The Secretary shall be ex officio clerk of the board of directors. He shall attend all meetings of the board of director's and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all notices required to be given to members and to directors. He shall be the custodian of the seal of the Corporation and of all books, papers, records, correspondence, contracts and other documents belonging to the Corporation which he shall deliver up only when authorized by a resolution of the board of directors to do so and to such persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the board of directors.

DUTIES OF TREASURER

13. The Treasurer, or person-performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such bank or banks as may from time to time be designated by the board of directors. He shall disburse the funds of the Corporation under the direction of the board of directors, taking proper vouchers thereof and shall render to the board of directors at the regular meetings thereof or whenever required of him, and account of all his transactions as Treasurer, and of the financial position of the

Corporation. He shall also perform such other duties as may from time to time be determined by the board of directors.

DUTIES OF OTHER OFFICERS

14. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for, or the board of directors requires of them.

EXECUTION OF DOCUMENTS

15. Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by either the President or Vice-President and by the Secretary, and the Secretary shall affix the seal of the Corporation to such instruments as require the same.

Contracts in the ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the President, Vice-President, Treasurer or by any person authorized by the board.

The President, Vice-President, the directors, Secretary or Treasurer, or any one of them, or any person or persons from time to time designated by the board of directors may transfer any and all shares, bonds or other securities from time to time standing in the name of the Corporation in its individual or any other capacity or as trustee or otherwise any may accept in the name, and on behalf of the Corporation transfers of shares, bonds or other securities from time to time transferred to the Corporation, and may affix the corporate seal to any such transfers or acceptances of transfers, and may make, execute and deliver under the corporate seal any and all instruments in writing necessary for proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of shares, bonds or other securities on the books of any company or corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the board of directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

BOOKS AND RECORDS

16. The directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

DUES

17. There shall be no dues or fees payable by members except such, if any, as shall from time to time be fixed by unanimous vote of the board of directors, which vote shall become effective only when confirmed by a vote of the members at an annual or other general meeting.

The Secretary shall notify the members of the dues or fees at any time payable by them and, if any are not paid within 30 days of the date of such notice the members in default

shall thereupon automatically cease to be members of the Corporation, but any such members may on payment of all unpaid dues or fees be reinstated by unanimous vote of the board of directors.

ANNUAL AND OTHER MEETINGS FOR MEMBERS

18. The annual or any other general meeting of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the board of directors may determine and on such day as the said directors shall appoint.

At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and a board of directors elected and auditors appointed for the ensuing year and the remuneration of the auditors shall be fixed. ' The members may consider and transact any business wither special or general without any notice thereof at any meeting of the - members. The board of directors or the President or Vice-President shall have power to call at any time a general meeting of the members of the Corporation. No public notice nor advertisement of members' meetings, annual or general, shall be required, but notice of the time and place of every such meeting shall be given to each member by sending the notice by prepaid mail or telegraph, 14 days before the time fixed for the holding of such meeting; provided that any meetings may be held at any time and place without such notice if all the members of the Corporation are present thereat or represented by proxy duly appointed, and at su0lh meeting any business may be transacted which the Corporation at annual or general meetings may transact.

ERROR OR OMISSION IN NOTICE

19. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meetings and may ratify) approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notices to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the Corporation.

ADJOURNMENTS

20. Any meetings of the Corporation or of the directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

QUORUM OF MEMBERS

21. A quorum for the transaction of business at any meeting of members shall consist of not less than six members present in person or represented by proxy.

VOTING OF MEMBERS

22. Subject to the provisions, if any, contained in the Letters patent of the Corporation, each member of the Corporation shall at all meetings of members be entitled to one vote and he may vote by proxy. Such proxy need not himself be a member but before voting shall produce and deposit with the Secretary sufficient appointment in writing from his constituent or constituents. No member shall be entitled either in person or by proxy to vote at meetings of the Corporation unless he has paid all dues or fees, if any, then payable by him.

At all meetings of members every question shall be decided by a majority of the votes of the members present in person or represented by proxy unless otherwise required by the by-laws of the Corporation, or by law. Every question shall be decided in the first instance by a show of hands unless a poll is demanded by any member. Upon a show of hands, every member having voting rights shall have one vote, and unless a poll be demanded a declaration by the Chairman that a resolution has been carried or not carried and an entry to that effect in the minutes of the Corporation shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of votes given by the members present in person or by proxy, and such poll shall be taken in such manner as the Chairman shall direct and the result of such poll shall be deemed the decision of the Corporation in general meeting upon the matter in question. In case of an equality of votes at any general meeting, whether upon a show of hands or at a poll, the Chairman shall be entitled to a second or casting vote.

FINANCIAL YEAR

23. Unless otherwise ordered by the board of directors, the fiscal year of the Corporation shall terminate on the 31st day of July.

CHEQUES, ETC.

24. All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the board of directors and any one of such officers or agents may alone endorse notes and drafts for collection on account of the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Any one of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all the bank's forms or settlement of balances and release or verification slips.

DEPOSIT OF SECURITIES FOR SAFEKEEPING

25. The securities of the Corporation shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the board of directors. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the board of directors and such authority may be general or confined so specific instances. The institutions which may be so selected as custodians of the board of directors shall be fully protected in acting in accordance with the directions of the board of directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

NOTICE

26. Whenever under the provision of the by-laws of the Corporation, notices required to be given, such notice may be given either personally or telegraphed or by depositing same in a post office or a public letter-box, in a prepaid, sealed wrapper addressed to the director, officer or member at his or their address as the same appears on the books of the Corporation. A notice or other document so sent by post shall be held to be sent at the time when the same was deposited in a post office or public letter-box as aforesaid, or if telegraphed shall be held to be sent when the same was handed to the telegraph company or its messenger. For the purpose of sending any notice the address of any member, director or officers shall be his last address as recorded on the books of the Corporation.

BORROWING

27. The directors may from time to time

- (a) borrow money on the credit of the Corporation; or
- (b) issue, sell or pledge securities of the Corporation; or
- (c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

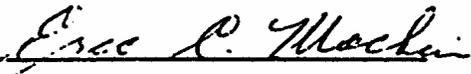
From time to time the directors may authorize any director, officer or employee of the Corporation or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given thereof, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Corporation as the directors may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

INTERPRETATION

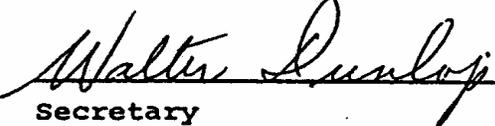
28. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Passed by the board of directors and sealed with the corporate seal this 27th day of October, 1978

(Corporate Seal)



President



Secretary

**NOTE: In place of the seal the following statement can be used:
We have authority to bind the Corporation.**

APPENDIX A

To obtain the six Directors required by item 4 of the Constitution one will be elected from each of the following Sections:

Section 1; Beginning with the eastern border of the Lindsay Duncan property westward, northward around the head of the lake then eastward to the entrance to Brown's Bay.

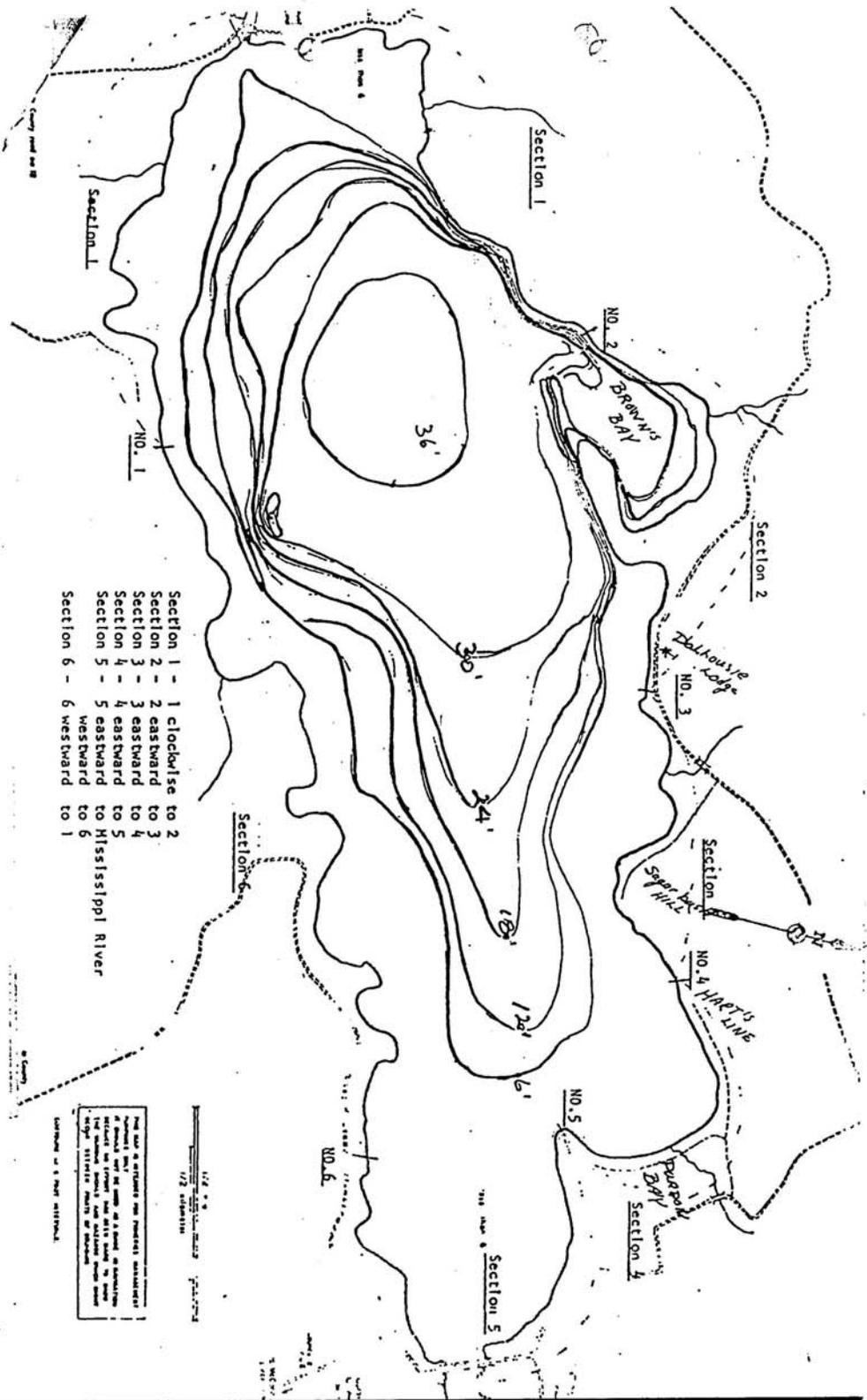
Section 2; Beginning at the west entrance to Brown's Bay eastward on the north shore of the lake, including Brown's Bay, to and including Dalhousie Lake Lodge,

Section 3 From Dalhousie Lake Lodge eastward on the north shore of the lake to Hart's line.

Section 4; From Hart's line eastward around Hart's Bay to and including the cottage of Mr. B.C. Brake.

Section 5; From the cottage of Mr. B.C. Brake eastward to the Mississippi River and westward along the south shore to the western border of the Wilf Hall property.

Section 6; From the western border of the Wilf. Hall property westward on the south shore of the lake to the Lindsay Duncan property.



- Section 1 - 1 clockwise to 2
- Section 2 - 2 eastward to 3
- Section 3 - 3 eastward to 4
- Section 4 - 4 eastward to 5
- Section 5 - 5 eastward to Mississippi River
- Section 6 - 6 westward to 1

The data in this map was prepared by the U.S. Geological Survey and is based on a plan of the Mississippi River and its tributaries. The accuracy of the data is not guaranteed. The U.S. Geological Survey is not responsible for any errors or omissions in this map.