

ARTICLES

BRIGHTON BEACH PROPERTIES LTD. (the “Company”)

The Company has as its Articles the following Articles.

Incorporation Number: BC0159036

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ARTICLE 1 INTERPRETATION

1.1 Definitions

In these Articles, unless there is something in the subject or context inconsistent therewith:

“Act” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended from time to time, as well as any successor legislation, and includes any regulations made thereunder.

“Board of Directors”, “Board”, “the Directors” and **“the Directors”** mean the Directors or sole Director of the Company for the time being.

“Company” means the company named at the head of these Articles.

“ordinary resolution” means an ordinary resolution as defined in the *Act*.

“registered owner” or **“registered holder”** when used with respect to a share in the authorized Share Structure of the Company means the person registered in the Securities register of the Company in respect of such share.

“seal” means the common seal of the Company, if the Company has one.

“Shareholder” means those persons defined as such in the *Act*.

“solicitor of the Company” means any partner, associate or articled student of the law firm retained by the Company in respect of the matter in connection with which the term is used.

“special resolution” means a special resolution as defined in the *Act*.

“writing”, “in writing” and like expressions include all modes of representing, or reproducing, and recording words in visible form, including: printing; lithographing; typewriting; and photostatic, electrostatic and mechanical copying.

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1.2 Construction of Words

Words importing the singular include the plural and vice versa; and words importing male persons include female persons and words importing persons shall include corporations.

1.3 Definitions Same as the *Act*

Any words or phrases defined in the *Act* shall, if not inconsistent with the subject or context, bear the same meaning when used in these Articles.

1.4 *Interpretation Act* Rules of Construction Apply

The Rules of Construction contained in the *Interpretation Act* of the Province of British Columbia shall apply, *mutatis mutandis*, to the interpretation of these Articles.

1.5 References to Writing

Reference in these Articles to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of representing or reproducing words in a visible form.

ARTICLE 2 SHARES AND SHARE CERTIFICATES

2.1 Shareholder Entitled to Certificate

Every shareholder is entitled, without charge, to one certificate representing the share or shares of each class or series held by him; provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint registered holders or to his duly authorized agent shall be sufficient delivery to all; and provided further that the Company shall not be bound to issue certificates representing redeemable shares, if such shares are to be redeemed within one month of the date on which they were allotted. Any share certificate may be sent through the mail by registered prepaid mail to the member entitled thereto, and neither the Company nor any transfer agent shall be liable for any loss occasioned to the member owing to any such share certificate so sent being lost in the mail or stolen.

2.2 Form of Certificate

Every share certificate issued by the Company shall be in such form as the Directors approve and shall comply with the *Act*.

2.3 Replacement of Lost or Defaced Certificate

If a share certificate:

- (a) is worn or defaced, the Directors shall, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and shall issue a new certificate in lieu thereof;
- (b) is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Directors and upon such indemnity, if any, as the Directors deem adequate being given, a new share certificate in lieu thereof shall be issued to the person entitled to such lost, stolen or destroyed certificate; or
- (c) represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

There shall be paid to the Company such sum, not exceeding \$10.00, as the Directors may from time to time fix, for each certificate to be issued under this Article.

2.4 Execution of Certificates

Every share certificate shall be signed manually by at least one Officer or Director of the Company, or by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a certificate so signed is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such certificate to hold at the date of the issue of the share certificate.

2.5 Recognition of Trusts

Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any beneficial, equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as by law, statute or these Articles provided or as ordered by a court of competent

jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered holder.

2.6 Delivery of Joint Holders

The certificate representing shares registered in the name of two or more persons shall be delivered to the person first named on the register of members.

ARTICLE 3 ISSUE OF SHARES

3.1 Directors Authorized

Subject to the requirements of the *Act* and to any direction to the contrary, save for a direction which, at the discretion of the Directors, may not be proceeded with, contained in a resolution passed at a general meeting authorizing any increase or alteration of capital, the shares shall be under the control of the Directors who may, subject to the rights of the holders of the shares of the Company for the time being outstanding, issue, allot, sell or otherwise dispose of, and/or grant options on or otherwise deal in, shares authorized but not outstanding, and outstanding shares held by the Company, at such times, to such persons (including Directors), in such manner, upon such terms and conditions and at such price or for such consideration, as the Directors, in their absolute discretion, may determine so long as such issuance, allotment, sale, disposition or grant has been authorized by a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company. Further, this Article shall not be amended other than pursuant to a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company.

3.2 Commissions and Discounts

Subject to the provisions of the *Act*, the Company, or the Directors on behalf of the Company, may pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, provided that, if the Company is not a specially limited company, the rate of the commission and discount shall not in the aggregate exceed 25% of the amount of the subscription price of such shares, and if the Company is a specially limited company, the rate of the commission and discount shall not in the aggregate exceed 95% of the amount of the subscription price of such shares.

3.3 Conditions of Issue

No share may be issued until it is fully paid and the Company shall have received the full consideration therefor in cash, property or past services actually performed for the Company. The value of property or services for the purposes of this Article shall be the value determined by the Directors by resolution to be, in all circumstances of the transaction, the fair market value thereof, and the full consideration received for a share issued by way of dividend shall be the amount declared by the Directors to be the amount of the dividend.

ARTICLE 4 SECURITIES REGISTER

4.1 Central Securities Register

The Company shall keep or cause to be kept a Central Securities Register as required by the *Act*. The Directors on behalf of the Company may appoint a trust company to keep the Central Securities register. The Directors on behalf of the Company may also appoint one or more trust companies, including the trust company which keeps the Central Securities register, as transfer agent for its shares or such class thereof, as the case may be. The Directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 Branch Securities Registers

Subject to the provisions of the *Act*, the Company may keep or cause to be kept one or more branch Securities registers at such place or places as the Directors may from time to time determine.

4.3 No Closing of Central Securities Register

The Company shall not at any time close its Central Securities register.

ARTICLE 5 TRANSFER OF SHARES

5.1 Transfer of Shares

Subject to the restrictions, if any, set forth in the Memorandum and these Articles, any member may transfer any of his shares by instrument in writing executed by or on behalf of such member and delivered to the Company or its transfer agent. The instrument of transfer of any share of the Company shall be in the form, if any, on the back of the Company's share certificates or in such other form as the Directors may from time to time approve. If the

Directors so determine, each instrument of transfer shall be in respect of only one class of share. Except to the extent that the *Act* may otherwise provide, the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members or a branch register of members in respect thereof.

5.2 Execution of Instrument of Transfer

The signature of the registered owner of any shares, or of his duly authorized attorney, upon an authorized instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, Officers and agents to register, in the name of the transferee as named in the instrument of transfer, the number of shares specified therein or, if no number is specified, all the shares of the registered owner represented by share certificates deposited with the instrument of transfer. If no transferee is named in the instrument of transfer, the instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, Officers and agents to register, in the name of the person on whose behalf any certificate for the shares to be transferred is deposited with the Company for the purpose of having the transfer registered, the number of shares if specified in the instrument of transfer or, if no number is specified, all the shares represented by all share certificates deposited with the instrument of transfer.

5.3 Enquiry as to Title Not Required

Neither the Company nor any Director, Officer or agent thereof shall be bound to enquire into the title of the person named in the form of transfer as transferee, or, if no person is named therein as transferee, of the person on whose behalf the certificate is deposited with the Company for the purpose of having the transfer registered or be liable to any claim by such registered owner or by any intermediate owner or holder of the certificate or of any of the shares represented thereby or any interest therein for registering the transfer, and the transfer, when registered, shall confer upon the person in whose name the shares have been registered a valid title to such shares.

5.4 Submission of Instruments of Transfer

Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company or at the office of its transfer agent or registrar for registration together with the share certificate for the shares to be transferred and such other evidence, if any, as the Directors or the transfer agent or registrar may require to prove the title of the transferor or his right to transfer the shares and the right of the transferee to have the transfer registered. All instruments of transfer, where the transfer is registered, shall be retained by the Company or its transfer agent or registrar and any instrument of transfer, where the transfer is not registered,

shall be returned to the person depositing the same together with the share certificate which accompanied the same when tendered for registration.

5.5 Transfer Fee

Subject to Article 5.7, no shares shall be transferred and entered on the register of members without:

- (a) the proposed transferee meeting with the Executive Committee so that the Executive Committee can assess the respectability and financial responsibilities of the proposed transferee;
- (b) the Executive Committee reporting its assessment of the proposed transferee to the Board;
- (c) the Directors consenting to the transfer by a resolution of the Board, and the Directors shall not be required to give any reason for refusing to consent to any such proposed transfer;
- (d) the transferor entering into an agreement with the Company terminating his lease with the Company;
- (e) the transferee executing a lease with the Company in the form approved by the Board from time to time;
- (f) the transferee executing a statutory declaration stating that the transferee will be the sole beneficial owner of the share upon completion of the transfer, and disclosing the name of any member providing third party financing to the transferee pursuant to his purchase of the share; and
- (g) the transferor paying \$800 to the Company as a transfer fee, or as otherwise determined by the Board.

5.6 Consent of Directors Required

Subject to Article 5.7, upon the completion of the transfer the Secretary of the Company shall supply the transferee with a copy of these Articles and the written policies of the Board.

5.7 Transfer of Shares to a Jointholder

Articles 5.5(a), (b), (d), (e), (f), (g) and Article 5.6 shall not apply to a transfer of a share to a joint holder thereof or if their application has been waived by a resolution of the Board.

5.8 Beneficial Ownership

No member shall have beneficial ownership of more than one share and if the Board becomes aware of any member having beneficial ownership of more than one share it may require both the member having beneficial ownership of more than one share and the member holding a share on behalf of the member to sell their shares within 60 days of receiving written notice of the Board's decision.

ARTICLE 6 TRANSMISSION OF SHARES

6.1 Personal Representatives Recognized on Death

In the case of the death of a member, the survivor or survivors, where the deceased was a joint registered holder, and the legal personal representative of the deceased, where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Before recognizing any legal personal representative the Directors may require him to deliver to the Company the original or a court-certified copy of a grant of probate or letters of administration in British Columbia or such other evidence and documents as the Directors consider appropriate to establish the right of the personal representative to such title to the interest in the shares of the deceased member.

6.2 Death or Bankruptcy

Upon the death or bankruptcy of a member, his personal representative or trustee in bankruptcy, although not a member, shall have the same rights, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt member if the documents required by the *Act* shall have been deposited with the Company. This Article does not apply on the death of a member with respect to shares registered in his name and the name of another person in joint tenancy.

6.3 Persons in Representative Capacity

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such documents and evidence being produced to the Company as the *Act* requires, or who becomes entitled to a share as a result of an order of a

Court of competent jurisdiction or a statute, has the right either to be registered as a member in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the shares as the deceased or bankrupt person could have made; but the Directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

ARTICLE 7

ALTERATION OF CAPITAL

7.1 Increase of Authorized Capital

The Company may by a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company alter its Notice of Articles and these Articles, as applicable, to alter the authorized Share Structure of the Company by:

- (a) creating shares with par value or shares without par value, or both;
- (b) increasing the number of shares with par value or shares without par value, or both; or
- (c) increasing the par value of a class of shares with par value, if no shares of that class are issued.

7.2 Other Capital Alterations

The Company may by a resolution approved in writing by not less than ninety percent (90%) of the Shareholders of the Company, alter its Notice of Articles and these Articles as applicable, to subdivide, consolidate, change from shares with par value to shares without par value, or from shares without par value to shares with par value, or change the designation of, all or any of its shares but only to such extent, in such manner and with such consents of members holding shares of a class or series which is the subject of or affected by such alteration, as the *Act* provides.

7.3 Creation, Variation and Abrogation of Special Rights and Restrictions

The Company may alter its Notice of Articles or these Articles:

- (a) by special resolution, to create, define and attach special rights or restrictions to any shares; and

- (b) by special resolution and by otherwise complying with any applicable provision of these Articles, to vary or abrogate any special rights and restrictions attached to any shares;

and in each case by filing a certified copy of such resolution with the Registrar, but no right or special right attached to any issued shares shall be prejudiced or interfered with unless all members holding shares of each class or series whose right or special right is so prejudiced or interfered with consent thereto in writing, or unless a resolution consenting thereto is passed at a separate class or series meeting of the holders of the shares of each such class or series by a majority of three-fourths of the issued shares of such class or series or such greater majority as may be specified by the special rights attached to the class or series of shares.

7.4 Special Rights of Conversion

If the Company is or becomes a reporting company, and if so required by the *Act*, no resolution to create, vary or abrogate any special right of conversion attaching to any class of shares shall be submitted to a general meeting or a class meeting of members unless the Superintendent of Brokers shall have first consented to the resolution.

7.5 Class Meetings of Members

Unless these Articles otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable, to a class or series meeting of members holding a particular class or series of shares, provided that the quorum at a class or series meeting shall be one or more persons holding or representing by proxy not less than one-third of the shares affected.

ARTICLE 8 PURCHASE AND REDEMPTION OF SHARES

8.1 Company Authorized to Purchase or Redeem its Shares

Subject to the special rights and restrictions attached to any class of shares the Company may, by a resolution of the Directors and in compliance with the *Act*, purchase any of its shares at the price and upon the terms specified in such resolution or redeem any class of its shares in accordance with the special rights and restrictions attaching thereto. No such purchase or redemption shall be made if the Company is insolvent at the time of the proposed purchase or redemption or if the proposed purchase or redemption would render the Company insolvent.

8.2 Selection of Shares to be Purchased or Redeemed

If the Company proposes at its option to purchase or redeem some but not all of the shares of any class or series, the Directors may, subject to the special rights and restrictions attached to such shares, decide the manner in which the shares to be purchased or redeemed shall be selected and such purchase or redemption may or may not be made *pro rata* among every member holding any such shares as the Directors may determine.

8.3 Purchased or Redeemed Shares Not Voted

Subject to the provisions of the *Act*, any shares purchased or redeemed by the Company may be sold or, if cancelled, reissued by it, but, while such shares which have not been cancelled are held by the Company, it shall not exercise any vote in respect of these shares and no dividend or other distribution shall be paid or made thereon.

ARTICLE 9 BORROWING POWERS

9.1 Powers of Directors

Subject to the provisions of the *Act*, the Directors may from time to time authorize the Company to:

- (a) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit;
- (b) issue bonds, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;
- (c) mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking or on the whole or any part of the property and assets of the Company, both present and future; and
- (d) give financial assistance to any person, directly or indirectly, by way of loan, guarantee, the provision of security, or otherwise.

9.2 Negotiability of Debt Obligations

The Directors may make any bonds, debentures or other debt obligations issued by the Company by their terms assignable free from any equities between the Company and the person to whom they may be issued or any other person who lawfully acquires them by assignment, purchase or otherwise.

9.3 Special Rights Attached to Debt Obligations

The Directors may authorize the issue of any bonds, debentures or other debt obligations of the Company at a discount, premium or otherwise and with special or other rights or privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares, attending at general meetings of the Company and otherwise as the Directors may determine at or before the time of issue.

9.4 Register of Debentureholders

The Company shall keep or cause to be kept within the Province of British Columbia in accordance with the *Act* a register of its debentures and a register of debentureholders, which registers may be combined, and, subject to the provisions of the *Act*, may keep or cause to be kept one or more branch registers of its debentureholders at such place or places as the Directors may from time to time determine and the Directors may by resolution, regulation or otherwise make such provisions as they think fit respecting the keeping of such branch registers.

9.5 Execution of Debt Obligations

Every bond, debenture or other debt obligation of the Company shall be signed manually by at least one Director or Officer of the Company or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture or other debt obligations appointed by the Company or under any instrument under which the bond, debenture or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such bond, debenture or other debt obligation to hold at the date of the issue thereof.

9.6 Register of Indebtedness

If the Company is or becomes a reporting company, the Company shall keep or cause to be kept a register of its indebtedness to every Director or Officer of the Company or an associate of any of them in accordance with the provisions of the *Act*.

ARTICLE 10

GENERAL MEETING

10.1 Annual General Meeting

Subject to any extensions of time permitted pursuant to the *Act*, the first annual general meeting of the Company shall be held within 15 months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time (not being more than 13 months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors.

10.2 Waiver of Annual General Meeting

If the Company is, or becomes, a company which is not a reporting company and all the members entitled to attend and vote at an annual general meeting consent in writing to all the business which is required or desired to be transacted at the meeting, such annual general meeting shall be deemed for the purpose of this Article 10 to have been held on the date specified in the consent, and it is not necessary for the Company to hold that annual general meeting.

10.3 Classification of General Meetings

All general meetings other than annual general meetings are herein referred to as and may be called extraordinary general meetings.

10.4 Calling of Meetings

The Directors may, whenever they think fit, convene an extraordinary general meeting. An extraordinary general meeting, if requisitioned in accordance with the *Act*, shall be convened by the Directors or, if not convened by the Directors, may be convened by the requisitionists as provided in the *Act*.

10.5 Advance Notice for Election of Directors

A notice convening a general meeting specifying the place, the day, and the hour of the meeting, and, in case of special business, the general nature of that business, shall be given as provided in the *Act* and in the manner hereinafter in these Articles mentioned, or in such other manner as may be prescribed by the Directors to such persons as are entitled by law or under these Articles to receive such notice from the Company. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at that meeting.

10.6 Notice for General Meeting

All the members of the Company entitled to attend and vote at a general meeting may, by unanimous consent in writing given before, during or after the meeting, or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.

10.7 Waiver or Reduction of Notice

Except as otherwise provided by the *Act*, where any special business at a general meeting includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by members at the registered office or records office of the Company or at some other place in British Columbia designated in the notice during the usual business hours up to the date of such general meeting.

10.8 Notice of Special Business at General Meeting

Where, in accordance with the *Act*, the Company has published in prescribed manner an advance notice of a general meeting at which Directors are to be elected, the Company may, notwithstanding such notice, postpone the general meeting to a date other than that specified in such notice. In the event of such a postponement, the Company shall publish, in the same manner prescribed for the original notice, a notice of the postponement of the meeting which notice shall include, if the date to which the meeting is postponed is known, the same information as is required by the *Act* to be included in the original notice. If the date to which the meeting is postponed is not known, the notice of postponement need state only that the meeting is postponed until further notice, provided however that once such date is known, the Company shall publish a new advance notice which shall comply with the *Act*. The date to which any such meeting is postponed shall be deemed to be the date of the meeting for the purpose of complying with any time limitations in respect of general meetings prescribed by the *Act*.

10.9 Location of Meetings

All meetings of Shareholders, including without limitation, general meetings, shall be held in British Columbia.

10.10 Meetings by Telephone or Other Communications Medium

A Shareholder may participate in a meeting of the Shareholders in person or by telephone if all Shareholders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Shareholder may participate in a meeting of the Shareholders by a communications medium other than telephone if all Shareholders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Shareholder who participates in a meeting in a manner contemplated by this Article 10.10 is deemed for all purposes of the *Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

ARTICLE 11 PROCEEDINGS AT GENERAL MEETINGS

11.1 Special Business

All business shall be deemed special business which is transacted at:

- (a) an extraordinary general meeting other than the conduct of and voting at, such meeting; and
- (b) an annual general meeting, with the exception of the conduct of, and voting at, such meeting, the consideration of the financial statement and of the respective reports of the Directors and auditor, fixing or changing the number of Directors, approval of a motion to elect two or more Directors by a single resolution, the election of Directors, the appointment of the auditor, the fixing of the remuneration of the auditor and such other business as by these Articles or the *Act* ought to be transacted at a general meeting without prior notice thereof being given to the members or any business which is brought under consideration by the report of the Directors.

11.2 Requirement of Quorum

No business, other than election of the chairman or the adjournment of the meeting, shall be transacted at any general meeting unless a quorum of members in person or by proxy, entitled to attend and vote, is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.

11.3 Quorum

Save as herein otherwise provided, a quorum shall be one member, or one proxyholder representing members, holding not less than one-twentieth of the issued shares entitled to be voted at the meeting. If there is only one member the quorum is one person present and being, or representing by proxy, such member. The Directors, the Secretary or, in his absence, an Assistant Secretary, and the solicitor of the Company shall be entitled to attend at any general meeting but no such person shall be counted in the quorum or be entitled to vote at any general meeting unless he shall be a member or proxyholder entitled to vote thereat.

11.4 Lack of Quorum

If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a member or members entitled to attend and vote at the meeting shall be a quorum.

11.5 Chairman

The Chairman of the Board, if any, or in his absence the President of the Company or in his absence a Vice-President of the Company, if any, shall be entitled to preside as chairman at every general meeting of the Company. Notwithstanding the foregoing, with the consent of the meeting, which consent may be expressed by the failure to object of any person present and entitled to vote, the solicitor of the Company may act as chairman of the meeting.

11.6 Alternate Chairman

If at any general meeting neither the Chairman of the Board nor President nor a Vice-President is present within 15 minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present, shall choose someone of their number, or the solicitor of the Company, to be chairman. If all the Directors present, and the solicitor of the Company, decline to take the chair or fail to so choose or if no Director be present, the persons present and entitled to vote shall choose one of their number to be chairman.

11.7 Adjournments

The chairman may and shall, if so directed by the meeting, adjourn the meeting 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. When a meeting is adjourned for 30 days or more, notice, but not the advance notice

otherwise required with respect to the election of Directors of a reporting Company, of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

11.8 Resolutions Need Not be Seconded

No motion proposed at a general meeting need be seconded and the chairman may propose or second a motion.

11.9 Decisions by Show of Hands or Poll

Subject to the provisions of the *Act* at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is directed by the chairman or demanded by at least one member entitled to vote who is present in person or by proxy. The chairman shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the book of proceedings of the Company. A declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of the 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, that resolution.

11.10 Casting Vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote in addition to the vote or votes to which he may be entitled as a member or proxyholder.

11.11 Manner of Taking Poll

No poll may be demanded on the election of a chairman. A poll demanded on a question of adjournment shall be taken at the meeting without adjournment. A poll demanded on any other question shall be taken as soon as, in the opinion of the chairman, is reasonably convenient, but in no event later than seven days after the meeting and at such time and place and in such manner as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. A demand for a poll may be withdrawn.

11.12 Disputed Vote

In the case of any dispute as to the admission or rejection of a vote, whether by show of hands or on a poll, the chairman shall determine the same, and his determination made in good faith is final and conclusive.

11.13 Retention of Ballots Cast on a Poll

Every ballot cast upon a poll and every proxy appointing a proxyholder who casts a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the *Act* may provide.

11.14 Casting of Votes

On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.15 Ordinary Resolution Sufficient

Unless the *Act*, the Memorandum or these Articles otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution.

11.16 Resolutions in Counterparts

A resolution submitted to all members entitled to vote and consented to in writing, whether by document, telegram, telex or any method of transmitting legibly recorded messages or other means, by all of the members entitled to vote, in the case of a special resolution, or so consented to by members holding shares carrying 75% of the votes entitled to be cast in the case of an ordinary resolution shall be as valid and effectual as if it had been passed at a meeting of the members duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the members and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

ARTICLE 12 VOTES OF MEMBERS

12.1 Number of Votes Per Share or Member

Subject to any special voting rights or restrictions attached to any class of shares and the restrictions on joint registered holders of shares, on a show of hands every member who is present in person or by proxy and entitled to vote thereat shall have one vote and on a poll

every member shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

Any person who is not registered as a member but is entitled to vote at any general meeting in respect of a share, may vote the share in the same manner as if he were a member; but, unless the Directors have previously admitted his right to vote at that meeting in respect of the share, he shall satisfy the Directors of his right to vote the share before the time for holding the meeting, or adjourned meeting, as the case may be, at which he proposes to vote.

12.3 Representative of a Corporate Member

Any corporation not being a subsidiary which is a member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any general meeting or class meeting. The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company personally present, including, without limitation, the right, unless restricted by such resolution, to appoint a proxyholder to represent such corporation, and shall be counted for the purpose of forming a quorum if present at the meeting. Evidence of the resolution appointing any such representative may be sent to the Company by written instrument, telegram, telex or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a member may appoint a proxyholder.

12.4 Votes by Joint Holders

Where there are joint members registered in respect of any share, any one of the joint members may vote at any meeting in person, by proxy or by authorized representative in respect of the share as if he were solely entitled to it. If more than one of the joint members is present at any meeting in person, by proxy or by authorized representative, the joint member so present whose name stands first on the register of members in respect of the share shall alone be entitled to vote in respect of that share. For the purpose of this Article several executors or administrators of a deceased member in whose sole name any share stands shall be deemed joint members.

12.5 Votes by Committee for a Member

A member of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other person in the nature of a committee appointed by that court,

and any such committee, or other person may appoint a proxyholder. The chairman may require such proof of such appointment as he sees fit.

12.6 Appointment of Proxyholders

A member holding more than one share in respect of which he is entitled to vote shall be entitled to appoint one or more (but, in the case of a non-reporting Company, not more than five) proxyholders to attend, act and vote for him on the same occasion. If such a member should appoint more than one proxyholder for the same occasion he shall specify the number of shares each proxyholder shall be entitled to vote. A member may also appoint one or more alternate proxyholders to act in the place and stead of an absent proxyholder.

12.7 Qualification of Proxyholders

Any person, having attained the age of majority, may act as proxyholder whether or not he is entitled on his own behalf to be present and to vote at the meeting at which he acts as proxyholder. The proxy may authorize the person so appointed to act as proxyholder for the appointor for the period, at any meeting or meetings, and to the extent permitted by the *Act*.

12.8 Execution of Form of Proxy

A proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized officer or attorney of that corporation.

12.9 Deposit of Proxy

Unless the Directors fix some other time by which proxies must be deposited, a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours (excluding Saturdays and holidays) before the time for holding the meeting in respect of which the person named in the instrument is appointed.

12.10 Directors May Make Regulations Relating to Deposit of Proxies

In addition to any other method of depositing proxies provided for in these Articles, the Directors may by resolution make regulations relating to the depositing of proxies at any place or places and fixing the time for depositing the proxies. If the Company is or becomes a reporting company, the time so fixed shall not exceed 48 hours (excluding Saturdays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of members and providing for particulars of such proxies to be sent to the Company or any agent of

the Company in writing or by letter, telegram, telex or any method of transmitting legibly recorded messages so as to arrive before the commencement of the meeting or adjourned meeting at the office of the Company or of any agent of the Company appointed for the purpose of receiving such particulars and providing that proxies so deposited may be acted upon as though the proxies themselves were deposited as required by this Article 12 and votes given in accordance with such regulations shall be valid and shall be counted.

12.11 Form of Proxy

Unless the *Act* or any other statute or law requires any other form of proxy, a proxy, whether for a specified meeting or otherwise, shall be either in the form following or in any other form that the Directors or the chairman of the meeting shall approve:

*Company

The undersigned, being a member of the above-named Company, appoints _____ of _____ or failing him _____ of _____ for the undersigned to attend, act and vote for and on behalf of the undersigned at the general meeting of the Company to be held on the ____ day of _____ and at any adjournment thereof.

Signed this _____, 20____.

(Signature of Member)

12.12 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the previous death or incapacity of the member giving the proxy or the revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, incapacity, revocation or transfer shall have been received at the registered office of the Company or by the chairman of the meeting or adjourned meeting for which the proxy was given before the vote was taken.

12.13 Revocation of Proxy

Every proxy may be revoked by an instrument in writing:

- (a) executed by the member giving the same or by his attorney authorized in writing or, where the member is a corporation, by a duly authorized officer or attorney of the corporation; and

- (b) delivered either at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the meeting on the day of the meeting or any adjournment thereof before any vote in respect of which the proxy is to be used shall have been taken;

or in any other manner provided by law.

12.14 Chairman to Determine Validity

The chairman of the meeting may determine whether or not a proxy, deposited for use at such meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing, or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

ARTICLE 13 DIRECTORS

13.1 Number of Directors

The subscribers to the Memorandum of the Company are the first Directors. The Directors to succeed the first Directors may be appointed in writing by a majority of the subscribers or at a meeting of the subscribers, or if not so appointed, they shall be elected by the members entitled to vote on the election of Directors. The number of Directors will be equal to the number of shares of the Company then issued and outstanding.

13.2 Remuneration and Expenses of Directors

The Directors will not receive any remuneration. The Directors shall be reimbursed for reasonable travelling, hotel and other expenses they incur in and about the business of the Company and if any Director shall perform any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director or shall otherwise be specially occupied in or about the Company's business, he may be paid a remuneration to be fixed by the Board, or, at the option of such Director, by the Company in general meeting.

13.3 Qualification of Directors

A Director shall be required to be a member or the spouse, immediate family member, or spousal equivalent of a member. Any Director who is not a member shall be deemed

to have agreed to be bound by the provisions of these Articles to the same extent as if he were a member of the Company.

13.4 Appointment of Director

Subject to Article 29.1, each member is entitled to appoint one Director.

ARTICLE 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At each annual general meeting of the Company all the Directors shall retire and the members entitled to vote thereat shall elect a Board of Directors consisting of the number of Directors for the time being fixed pursuant to these Articles. Each holder or holders of a share in the capital of the Company may appoint one Director.

14.2 Eligibility of Retiring Director

A retiring Director shall be eligible for re-election.

14.3 Continuance of Directors

Where the Company fails to hold an annual general meeting in accordance with the *Act*, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these Articles and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.

14.4 Election of Less Than Required Number of Directors

If at any general meeting at which there should be an election of Directors the places of any of the retiring Directors are not filled by such election, such of the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed pursuant to these Articles until further new Directors are elected at a general meeting convened for the purpose. If any such election or continuance of Directors does not result in the election or continuance of the number of Directors for the time being fixed pursuant to these Articles such number shall be fixed at the number of Directors actually elected or continued in office.

14.5 Filling a Casual Vacancy

The remaining Directors or Director shall have the power from time to time to appoint any person as a Director to fill any casual vacancy occurring in the Board of Directors.

14.6 Additional Directors

Between successive annual general meetings the Directors shall have power to appoint one or more additional Directors but the number of additional Directors shall not be more than one-third of the number of Directors elected or appointed at the last annual general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, but shall be eligible for election at such meeting and, so long as he is an additional Director, the number of Directors shall be increased accordingly.

14.7 Alternate Directors

Any Director may by instrument in writing delivered to the Company appoint any person to be his alternate to act in his place at meetings of the Directors at which he is not present unless the Directors reasonably disapprove the appointment of such person as an alternate Director. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote as a Director at a meeting at which the person appointing him is not personally present, and, if he is a Director, to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time by instrument, telegram, telex or any method of transmitting legibly recorded messages delivered to the Company revoke the appointment of an alternate appointed by him.

14.8 Termination of Directorship

A Director ceases to hold office when he:

- (a) dies;
- (b) resigns his office by notice in writing delivered to the registered office of the Company;
- (c) is convicted of an indictable offence and the other Directors shall have resolved to remove him;
- (d) ceases to be qualified to act as a Director pursuant to the *Act*; or
- (e) is removed in accordance with Article 14.10 or Article 14.11.

14.9 Resignation of Directors

Every resignation of a Director becomes effective at the time a written resignation is delivered to the registered office of the Company or at the time specified in the resignation, whichever is later.

14.10 Removal of Directors by Shareholders

The Company may by special resolution remove any Director before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead.

14.11 Removal of Directors by Directors

The Board may by a resolution of the Board passed by at least three-quarters ($\frac{3}{4}$) of the Directors remove any Director before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead.

ARTICLE 15 POWERS AND DUTIES OF DIRECTORS

15.1 Management of Affairs and Business

The Directors shall manage or supervise the management of the affairs and business of the Company and shall have the authority to exercise all such powers of the Company as are not, by the *Act* or by the Memorandum or these Articles, required to be exercised by the Company in general meeting.

15.2 Policies of the Directors

The Directors shall commit their policies to writing and shall ensure that each member receives a copy of the policies of the Directors. Each member agrees to comply with the policies of the Directors.

15.3 Appointment of Attorney

The Directors may from time to time by power of attorney or other instrument under seal appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the powers of the Directors relating to the constitution of the Board and of any of its committees and the appointment or removal of Officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the Directors may think fit, and any such appointment may be made

in favour of any of the Directors or any of the members of the Company or in favour of any corporation, or of any of the members, Directors, nominees or managers of any corporation, firm or joint venture and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any such attorney may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

ARTICLE 16

DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Disclosure of Conflicting Interest

A Director who is in any way, directly or indirectly, interested in an existing or proposed contract or transaction with the Company or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a Director shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict with his duty and interest as a Director, as the case may be, in accordance with the provisions of the *Act*.

16.2 Voting and Quorum Re: Proposed Contract

A Director shall not vote in respect of any such contract or transaction with the Company in which he is interested and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. Subject to the provisions of the *Act*, the prohibitions contained in this Article 16 shall not apply to:

- (a) any contract or transaction relating to a loan to the Company, the repayment of all or part of which a Director or a specified corporation or a specified firm in which he has an interest has guaranteed or joined in guaranteeing;
- (b) any contract or transaction made, or to be made, with or for the benefit of an affiliated corporation of which a Director is a Director or Officer;
- (c) any contract by a Director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company, or any contract, arrangement or transaction in which a Director is, directly or indirectly, interested if all the other Directors are also, directly or indirectly, interested in the contract, arrangement or transaction;
- (d) determining the remuneration of the Directors;

- (e) purchasing and maintaining insurance to cover Directors against liability incurred by them as Directors; or
- (f) the indemnification of any Director by the Company.

These exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the *Act*, either generally or in respect of any particular contract or transaction or for any particular period.

16.3 Director May Hold Office or Position With Company

A Director may hold any office or position with the Company, other than the office of auditor of the Company, in conjunction with his office of Director for such period and on such terms, as to remuneration or otherwise, as the Directors may determine and no Director or intended Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or position or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the *Act*, no contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall be liable to be voided by reason thereof.

16.4 Director Acting in Professional Capacity

Subject to compliance with the provisions of the *Act*, a Director or his firm may act in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

16.5 Director Receiving Remuneration From Other Interests

A Director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the Company may be interested as a member or otherwise, and, subject to compliance with the provisions of the *Act*, such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm.

ARTICLE 17
PROCEEDINGS OF DIRECTORS

17.1 Chairman and Alternate

The Chairman of the Board, if any, or in his absence the President, shall preside as chairman at every meeting of the Directors, or if there is no Chairman of the Board or neither the Chairman of Board nor the President is present within 15 minutes of the time appointed for holding the meeting or is willing to act as chairman, or, if the Chairman of the Board, if any, and the President have advised the Secretary that they will not be present at the meeting, the Directors present shall choose one of their number to be chairman of the meeting. With the consent of the meeting, the solicitor of the Company may act as Chairman of a meeting of the Directors.

17.2 Meetings — Procedure — Casting Vote

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall not have a second or casting vote. Meetings of the Board held at regular intervals may be held at such place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine.

17.3 Meetings by Telephone or Other Communications Medium

A Director may participate in a meeting of the Board or of any committee of the Directors in person or by telephone if all Directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Director may participate in a meeting of the Directors or of any committee of the Directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Director who participates in a meeting in a manner contemplated by this Article 17.3 is deemed for all purposes of the *Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.4 Notice of Meeting

A Director may, and the Secretary or an Assistant Secretary upon request of a Director shall, call a meeting of the Board at any time. Reasonable notice shall be given for any meeting specifying the place, day and hour of such meeting shall be given by mail, postage

prepaid, addressed to each of the Directors and alternate Directors at his address as it appears on the books of the Company or by leaving it at his usual business or residential address or by telephone, telegram, telex, or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director if such meeting is to be held immediately following a general meeting at which such Director shall have been elected or is the meeting of Directors at which such Director is appointed. Accidental omission to give notice of a meeting of Directors to, or by the non-receipt of notice by, any Director shall not invalidate the proceedings at that meeting.

17.5 Waiver of Notice of Meetings

Any Director of the Company may file with the Secretary a document executed by him waiving notice of any past, present or future meeting or meetings of the Directors being, or required to have been, sent to him and may at any time withdraw such waiver with respect to meetings held thereafter. After the filing of such waiver with respect to future meetings, and until such waiver is withdrawn, no notice of any meeting of the Directors need be given to such Director or, unless the Director otherwise requires in writing to the Secretary, to his alternate Director, and all meetings of the Directors so held shall be deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.

17.6 Quorum

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed shall be a majority of the Directors or, if the number of Directors is fixed at one, shall be one Director.

17.7 Continuing Directors May Act During Vacancy

The Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed pursuant to these Articles as the necessary quorum of Directors, the Directors may act 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.

17.8 Validity of Acts of Directors

Subject to the provisions of the *Act*, all acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or of the members of such committee or person acting as

aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.

17.9 Consent Resolutions in Writing

A resolution of the Board or of any committee of the Directors consented to in writing by at least three-quarters ($\frac{3}{4}$) of the directors entitled to vote on it, whether by signed document, fax, e-mail or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the Board or of the committee of the Directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the Board or of any committee of the Directors passed in accordance with this Article 17.9 is deemed to be a proceeding at a meeting of Board or of the committee of the Directors and to be as valid and effective as if it had been passed at a meeting of the Board or of the committee of the Directors that satisfies all the requirements of the *Act* and all the requirements of these Articles relating to meetings of the Board or of a committee of the Directors.

17.10 Resolutions Need Not be Seconded and Chairman May Move a Motion

No resolution proposed at a meeting of Directors need be seconded, and the chairman of any meeting is entitled to move or propose a resolution.

ARTICLE 18 EXECUTIVE AND OTHER COMMITTEES,

18.1 Appointment of Executive Committee

The Directors may by resolution appoint an Executive Committee to consist of such member or members of their body as they think fit, which Committee shall have, and may exercise during the intervals between the meetings of the Board, all the powers vested in the Board except the power to fill vacancies in the Board, the power to change the membership of, or fill vacancies in, said Committee or any other committee of the Board and such other powers, if any, as may be specified in the resolution. The said Committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Board shall have the power at any time to revoke or override the authority given to or acts done by the Executive Committee, except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of such Committee and

to fill vacancies in it. The Executive Committee may make rules for the conduct of its business and may appoint such assistants as it may deem necessary. A majority of the members of said Committee shall constitute a quorum thereof.

18.2 Appointment of Committees

The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board (except the power to fill vacancies in the Board and the power to change the membership of or fill vacancies in any committee of the Board and the power to appoint or remove Officers appointed by the Board) subject to such conditions as may be prescribed in such resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Directors shall also have power at any time to revoke or override any authority given to or acts to be done by any such committees except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of a committee and to fill vacancies in it. Committees may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a committee shall constitute a quorum thereof.

18.3 Procedure at Meetings

The Executive Committee and any other committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chairman shall not have a second or casting vote. A resolution approved in writing by all the members of the Executive Committee or any other committee shall be as valid and effective as if it had been passed at a meeting of such Committee duly called and constituted. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

ARTICLE 19 OFFICERS

19.1 President and Secretary Required

The Directors shall, from time to time, appoint a President and a Secretary and such other Officers, if any, as the Directors shall determine and the Directors may, at any time,

terminate any such appointment. No Officer shall be appointed unless he is qualified in accordance with the provisions of the *Act*.

19.2 Persons Holding More Than One Office and Remuneration

One person may hold more than one of such offices except that the offices of President and Secretary must be held by different persons unless the Company has only one member. Any person appointed as the Chairman of the Board, the President or the Managing Director shall be a Director. The other Officers need not be Directors. The remuneration of the Officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors; such remuneration may be by way of salary, fees, wages, commission or participation in profits or any other means or all of these modes and an Officer may in addition to such remuneration be entitled to receive after he ceases to hold such office or leaves the employment of the Company a pension or gratuity. The Directors may decide what functions and duties each Officer shall perform and may entrust to and confer upon him any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions, duties and powers. The Secretary shall, *inter alia*, perform the functions of the Secretary specified in the *Act*.

19.3 Disclosure of Conflicting Interest

Every Officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as an Officer of the Company shall, in writing, disclose to the President the fact and the nature, character and extent of the conflict.

ARTICLE 20

DIVIDENDS AND RESERVE

20.1 Declaration of Dividends

The Directors may from time to time declare and authorize payment of such dividends, if any, as they may deem advisable and need not give notice of such declaration to any member. No dividend shall be paid otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the Directors as to the amount of such funds or assets available for dividends shall be conclusive. The Company may pay any such dividend wholly or in part by the distribution of specific assets, and in particular by paid up shares, bonds, debentures or other securities of the Company or any other corporation, or in any one or more such ways as may be authorized by the Company or the Directors, and where any

difficulty arises with regard to such a distribution the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments in substitution for all or any part of the specific assets to which any members are entitled shall be made to any members on the basis of the value so fixed to adjust the rights of all parties, and may vest any such specific assets in trustees for the persons entitled to the dividend as may seem expedient to the Directors

20.2 Declared Dividend Date

Any dividend declared on shares of any class by the Directors may be made payable on such date as is fixed by the Directors.

20.3 Proportionate to Number of Shares Held

Subject to the rights of members (if any) holding shares with specific rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held.

20.4 Reserves

The Directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same in reserve, carry forward such funds which they think prudent not to divide.

20.5 Receipts from Joint Holders

If several persons are registered as joint holders of any share, any one of them may give an effective receipt for any dividend, bonus or other monies payable in respect of the share.

20.6 No Interest on Dividends

No dividend shall bear interest against the Company. Where the dividend to which a member is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

20.7 Payment of Dividends

Any dividend, bonus or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register, or to such person and to such address as the holder or joint holders may direct in writing. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The mailing of such cheque or warrant shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque or warrant shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

20.8 Capitalization of Undistributed Surplus

Notwithstanding anything contained in these Articles, the Directors may from time to time capitalize any undistributed surplus on hand of the Company and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or debt obligations of the Company as a dividend representing such undistributed surplus on hand or any part thereof.

20.9 Fractional Share Dividends

Notwithstanding any other provisions of these Articles should any dividend result in any members being entitled to a fractional part of a share of the Company, the Directors shall have the right to pay such members in place of that fractional share, the cash equivalent thereof calculated on the par value thereof or, in the case of shares without par value, calculated on the price or consideration for which such shares were or were deemed to be issued, and shall have the further right and complete discretion to carry out such distribution and to adjust the rights of the members with respect thereon on as practical and equitable a basis as possible including the right to arrange through a fiscal agent or otherwise for the sale, consolidation or other disposition of those fractional shares on behalf of those members of the Company.

ARTICLE 21

DOCUMENTS, RECORDS AND REPORTS

21.1 Documents to be Kept

The Company shall keep at its records office or at such other place as the *Act* may permit, the documents, copies, registers, minutes, and records which the Company is required by the *Act* to keep at its records office or such other place, as the case may be.

21.2 Accounts to be Kept

The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company to record properly the financial affairs and condition of the Company and to comply with the *Act*.

21.3 Inspection of Accounts

Unless the Directors determine otherwise, or unless otherwise determined by an ordinary resolution, no member of the Company shall be entitled to inspect the accounting records of the Company.

21.4 Financial Statements and Reports for General Meetings

The Directors shall from time to time at the expense of the Company cause to be prepared and laid before the Company in general meeting such financial statements and reports as are required by the *Act*.

21.5 Financial Statements and Reports for Members

Every member shall be entitled, on demand, to be furnished with a copy of the latest financial statement of the Company including the auditor's report on it, if any, and, if so required by the *Act*, a copy of each annual financial statement and interim financial statement shall be mailed to each member.

ARTICLE 22

NOTICES

22.1 Method of Giving Notice

A notice, statement, report or other document may be given or delivered by the Company to any member either by delivery to him personally or by sending it by mail to his address as recorded in the register of members. Where a notice, statement, report or other document is sent by mail, service or delivery of the notice, statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report and to have been given on the day, Saturdays and holidays excepted, following the date of mailing. A certificate signed by the Secretary or other Officer of the Company or of any other corporation acting in that behalf for the Company that the letter, envelope or wrapper containing the notice, statement, report or other document was so addressed, prepaid and mailed shall be conclusive evidence thereof.

22.2 Notice to Joint Holder

A notice, statement, report or other document may be given or delivered by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

22.3 Notice to Personal Representative

A notice, statement, report or other document may be given or delivered by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member by sending it by mail, prepaid, addressed to them by name or by the title of representatives of the deceased or incapacitated person or trustee of the bankrupt, or by any like description, at the address (if any) supplied to the Company for the purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given if the death, bankruptcy or incapacity had not occurred.

22.4 Persons to Receive Notice

Notice of every general meeting or meeting of members holding shares of a particular class or series shall be given in a manner hereinbefore authorized to every member holding at the time of the issue of the notice or the date fixed for determining the members entitled to such notice, whichever is the earlier, shares which confer the right to notice of and to attend and vote at any such meeting. No other person except the auditor of the Company and the Directors of the Company shall be entitled to receive notices of any such meeting.

ARTICLE 23 RECORD DATES

23.1 Record Date

The Directors may fix in advance a date, which shall not be more than the maximum number of days permitted by the *Act*, preceding the date of any meeting of members, including class and series meetings, or of the payment of any dividend or of the proposed taking of any other proper action requiring the determination of members, as the record date for the determination of the members entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these Articles, only members of record on the date so fixed shall be deemed to be members for the purposes aforesaid.

23.2 No Record Date Fixed

Where no record date is so fixed for the determination of members as provided in the preceding Article the date on which the notice is mailed or on which the resolution declaring the dividend is adopted, as the case may be, shall be the record date for such determination.

ARTICLE 24

SEAL

24.1 Affixation of Seal to Documents

The Directors may provide a seal for the Company and, if they do so, shall provide for the safe custody of the seal which shall not be affixed to any instrument except in the presence of the following persons, namely:

- (a) any two Directors; or
- (b) any one of the Chairman of the Board, the President, the Managing Director, a Director or a Vice-President together with any one of the Secretary, the Treasurer, the Secretary-Treasurer, an Assistant Secretary, an Assistant Treasurer and an Assistant Secretary-Treasurer; or
- (c) if the Company shall have only one member, the President or the Secretary; or
- (d) such person or persons as the Directors may from time to time by resolution appoint;

and the said Directors, Officers, person or persons in whose presence the seal is so affixed to an instrument shall sign such instrument. For the purpose of certifying under seal true copies of any document or resolution the seal may be affixed in the presence of any one of the foregoing persons.

24.2 Reproduction of Seal

To enable the seal of the Company to be affixed to any bonds, debentures, share certificates, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or Officers of the Company are, in accordance with the *Act* and/or these Articles, printed or otherwise mechanically reproduced there may be delivered to the firm or company employed to engrave, lithograph or print such definitive or interim bonds, debentures, share certificates or other securities one or more unmounted dies reproducing the Company's seal and the Chairman of the Board, the President,

the Managing Director or a Vice-President and the Secretary, Treasurer, Secretary-Treasurer, an Assistant Secretary, an Assistant Treasurer or an Assistant Secretary-Treasurer may by a document authorize such firm or company to cause the Company's seal to be affixed to such definitive or interim bonds, debentures, share certificates or other securities by the use of such dies. Bonds, debentures, share certificates or other securities to which the Company's seal has been so affixed shall for all purposes be deemed to be under and to bear the Company's seal lawfully affixed thereto.

24.3 Official Seal for Other Jurisdictions

The Company may have an official seal for use in any other province, state, territory or country, and all of the powers conferred by the *Act* with respect thereto may be exercised by the Directors or by a duly authorized agent of the Company.

ARTICLE 25

MECHANICAL REPRODUCTION OF SIGNATURES

25.1 Instruments May be Mechanically Signed

The signature of any Officer, Director, registrar, branch registrar, transfer agent or branch agent of the Company, unless otherwise required by the *Act* or by these Articles, may, if authorized by the Directors, be printed, lithographed, engraved or otherwise mechanically reproduced upon all instruments executed or issued by the Company or any Officer thereof; and any instrument on which the signature of any such person is so reproduced shall be deemed to have been manually signed by such person whose signature is so reproduced and shall be as valid to all intents and purposes as if such instrument had been signed manually, and notwithstanding that the person whose signature is so reproduced may have ceased to hold the office that he is stated on such instrument to hold at the date of the delivery or issue of such instrument.

25.2 Definition of Instruments

The term "instrument" as used in Article 26.1, shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, agreements, releases, receipts and discharges for the payment of money or other obligation, shares and share warrants of the Company, bonds, debentures and other debt obligations of the Company, and all paper writings.

ARTICLE 26
RESTRICTIONS ON DEALING WITH LAND

26.1

The Company Shall not purchase lease, license, sell, transfer, dispose of, rezone, mortgage, charge, subdivide, encumber or other wise deal with land, or enter into any agreement to do so, unless such action is a lease entered into in accordance with Articles 26.2 and 26.3 or has been authorized by a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company.

26.2 Holders of Shares

Each holder or holders of a share of the Company shall enter into a lease with the Company so as to become the lessee of a certain lot, as set out in Schedule "A" attached hereto, together with the right to use any area of the lands of the Company that are not designated as lots on Schedule "A" attached hereto for the purpose of access to and ingress from the lot and the right to use the wharf and other property of the Company in such manner and at such times as may be designated by the Board.

26.3 Form of Lease

The lease between the member and the Company shall be in the form approved by the Board, from time to time.

ARTICLE 27
ASSESSMENTS

27.1 Monetary Needs

Prior to the annual general meeting of the members of the Company, the Treasurer shall confer with the chairman of each committee appointed by the Board to determine the monetary needs of each committee over the year next ensuing and shall report the monetary needs of each committee to the Board at the first meeting of the Board after the annual general meeting of the members of the Company.

27.2 Expenses

After receiving the report of the Treasurer, the Board shall by resolution adopted at its first meeting after the annual general meeting of the members of the Company, estimate the sum of money which, in its sole discretion, will be required by the Company during the year then

next ensuing for the maintenance of the corporate existence of the Company and generally for all the expenses in connection with the lands owned by the Company (the "Lands") including all taxes, insurance, cost of repairs, replacements, upkeep, common utilities, maintenance and operating expenses, retire any deficit in operations from the preceding year and create a reasonable reserve for future repairs and replacements. The Board shall then levy a monthly assessment for each lot, *pro rata*, and provide each holder of a lot with written notice thereof.

27.3 Monthly Assessment

Prior to the last day of the month in which the member receives written notice of the monthly assessment, the member shall deliver to the Treasurer of the Company 12 cheques in the amount of the monthly assessment determined by the Board, post-dated to the first of each of the 12 months following the month the member receives written notice of the monthly assessment or as otherwise determined by the Board.

27.4 Further Assessments

If at any time the members of the Company pass a special resolution approving any capital expenditures by the Company, and the Board acts upon such resolution, the members shall pay such further assessments as may be levied by the Board in relation thereto.

27.5 Emergency

If at any time the Board passes a resolution declaring that an emergency exists requiring additional funds not included in the annual estimates above referred to, the Board may make a supplemental estimate of the sum required for such purposes and levy an assessment therefor, which shall be payable by each member, *pro rata*, in such manner and at such times as shall be determined by the Board.

27.6 Vest in Board

It is further understood and agreed that the right and power to establish the amount of and to require the payment of any of the assessments above provided for shall vest in the Board only, and shall not pass to any creditor or receiver of the Company.

ARTICLE 28 COVENANTS OF MEMBERS

28.1 Observe Rules and Policies

The members, and their family and invitees, shall fully perform and observe such written rules and policies as may be established by resolution of the Board, provided that all such

rules and policies affect all members uniformly and are communicated to the members in writing.

28.2 Limits to Use

The members shall not use or permit the use of any part of the lot for any illegal or immoral purpose or such that will disturb the other members, nor shall the members annoy other members by unreasonable sounds or otherwise.

28.3 Compliance with Laws

The members will comply with all statutes, regulations and bylaws of any Dominion, Provincial or Municipal authority which in any way affect the Lands or their use and occupation.

ARTICLE 29 DEFAULT

29.1 Default Penalties — 30 Days

In the event of the member's default in the payment of any assessment herein provided for or non-compliance with these Articles or a written policy or decision of the Board (the "Default") and the continuance of the Default for a period of 30 days after the Board delivers notice in writing of the Default to the member:

- (a) a fee of \$50 or such greater amount as is determined by the Board from time to time is immediately payable from the member to the Company and the member shall pay the Company interest on the amount of any assessment outstanding at a rate of 24% per annum or at a rate otherwise determined by the Board; and
- (b) neither the member nor the spouse, immediate family member or spousal equivalent of the member may act as a Director or officer of the Company.

29.2 Default Penalties — 60 Days

In the event that the Default continues for a period of 60 days after the Board delivers notice in writing of the Default to the member, any lease between the member and the Company and any estate or interest of the member in his lot shall, at the option of the Company, terminate and it shall thereupon be lawful for the Company to take possession of the member's lot, all property of the member therein contained and the share owned by the member, and sell the same and the proceeds of such sale, (less all expenses of taking and keeping possession and

selling the lot and property, including all solicitors' fees and disbursements as between solicitor and client, and agents' charges in connection therewith) shall be used to extinguish any debt owed by the member to the Company, and the remainder, if any, shall be paid to the member.

ARTICLE 30

DISSOLUTION, LIQUIDATION OR DISPOSAL OF UNDERTAKING

30.1 Disposal of Undertaking

The Company Shall not, unless authorized to do so by a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company, dispose of all or substantially all of its undertaking unless it does so in the ordinary course of its business; or

30.2 Voluntary Dissolution or Liquidation

The Company shall not, unless authorized to do so by a resolution consented to in writing by not less than ninety percent (90%) of the Shareholders of the Company;

- (a) apply to be dissolved under Division 2 of the *Act*; or
- (b) liquidate under Division 3 of the *Act*.