

MIDLAND BAY LANDING DEVELOPMENT CORPORATION.
(the “Corporation”)

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BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and affairs of
MIDLAND BAY LANDING DEVELOPMENT CORPORATION
(herein called the “Corporation”)

BE IT PASSED AND MADE as a by-law of the Corporation as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this by-law, unless there is something in the subject matter or context inconsistent therewith,

- (i) “Act” means the Business Corporations Act of Ontario, as amended or re-enacted from time to time, and includes the regulations made pursuant thereto;
- (ii) “affiliate” means an affiliated body corporate, and one body corporate shall be deemed to be affiliated with another body corporate if, but only if, one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person;
- (iii) “articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization, articles of revival, letters patent, supplementary letters patent, a special Act and any other instrument by which the Corporation is incorporated;
- (iv) “auditor” means the auditor of the Corporation;
- (v) “Board” means the board of directors of the Corporation;
- (vi) “by-law” means a by-law of the Corporation;
- (vii) “committee” means a committee appointed pursuant to section 4.1 of this by-law;
- (viii) “Council” means the council of the Corporation of the Town of Midland;
- (ix) “director” means a director of the Corporation;
- (x) “day” means a calendar day and a period of days shall be deemed to commence the day following the event that began the period and shall be deemed to

terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or a statutory holiday the period shall terminate at midnight of the day next following that is not a Sunday or a statutory holiday in the province of Ontario;

- (xi) “employee” means an employee of the Corporation;
- (xii) “number of directors” means the number of directors set out in the articles or, where a minimum and maximum number of directors is set out in the articles, the number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors;
- (xiii) “officer” means an officer of the Corporation;
- (xiv) “person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (xv) “Secretary”, “Treasurer”, or any other officer means such officer of the Corporation;
- (xvi) “resident Canadian” means an individual who is,
 - (A) a Canadian citizen ordinarily resident in Canada,
 - (B) a Canadian citizen not ordinarily resident in Canada who is a member of a class of persons prescribed by the Act for the purposes of the definition of “resident Canadian”, or
 - (C) a permanent resident within the meaning of the *Immigration and Refugee Protection Act* of Canada and ordinarily resident in Canada;
- (xvii) “shareholder” means the council of the Corporation of the Town of Midland ;
- (xviii) “special resolution” means a resolution that is
 - (A) submitted to a special meeting of the Shareholder of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at such meeting by at least two-thirds of the votes cast;

- (xix) “STA” means the *Securities Transfer Act, 2006* (Ontario), S.O. 2006, c. 8, as amended or re-enacted from time to time, and includes the regulations made pursuant thereto;
- (xx) “subsidiary” means in relation to another body corporate, a body corporate which
 - (A) is controlled by
 - (1) that other, or
 - (2) that other and one or more bodies corporate each of which is controlled by that other, or
 - (3) two or more bodies corporate each of which is controlled by that other; or
 - (B) is a subsidiary of a body corporate that is that other’s subsidiary; and
- (xxi) “unanimous shareholder agreement” or Shareholder Direction and Operating Agreement” means
 - (A) a written agreement among all the shareholder and one or more persons who is not a shareholder that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the Corporation, or
 - (B) a written declaration made by a person who is the sole beneficial owner of all the issued shares of the Corporation that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the Corporation.

Subject to the foregoing in this section 1.1, the words and expressions herein contained shall have the same meaning as corresponding words and expressions in the Act.

1.2 Interpretation

In each by-law and resolution, unless there is something in the subject matter or context inconsistent therewith, the singular shall include the plural and the plural shall include the singular and the masculine shall include the feminine. Wherever reference is made in this or any other by-law or in any special resolution to any statute or section thereof, such reference shall be deemed to extend and refer to any amendment to or re-enactment of such statute or section, as the case may be. To the extent that any provisions of any unanimous shareholder agreement or Shareholder Direction and Operating Agreement conflict with these by-laws, the provisions of

the unanimous shareholder agreement or Shareholder Direction and Operating Agreement shall prevail over these by-laws.

1.3 Headings and Table of Contents

The headings and table of contents in this by-law are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions of this by-law.

ARTICLE 2 - GENERAL

2.1 Registered Office

The Shareholder of the Corporation may change the location of its registered office within the municipality or geographic town specified in the articles.

2.2 Corporate Seal

The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the directors.

2.3 Financial Year

The financial year end of the Corporation shall be fixed to reflect the same fiscal year as the Town of Midland (January 1 – December 31).

2.4 Execution of Documents

- (a) All instruments shall be considered through the lens of the Shareholder Direction and Operating Agreement. Instruments in writing requiring execution by the Corporation may be signed on behalf of the Corporation by any officer or director of the Corporation, and all instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board may from time to time by resolution appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments in writing.
- (b) The corporate seal of the Corporation (if any) may be affixed to instruments in writing signed as aforesaid by any person authorized to sign the same or at the direction of any such person.
- (c) The term “instruments in writing” as used herein shall include deeds, contracts, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, cheques,

promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money, conveyances, transfers and assignments of shares, instruments of proxy, powers of attorney, stocks, bonds, debentures or other securities or any paper writings, all subject to the Shareholder Direction and Operating Agreement.

- (d) The signature or signatures of an officer or director, person or persons appointed as aforesaid by resolution of the directors, may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all instruments in writing executed or issued by or on behalf of the Corporation and all instruments in writing on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such instruments in writing.

2.5 Resolutions in Writing

- (a) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or such committee of directors.
- (b) A resolution in writing and voted on in the affirmative at a meeting of shareholder is valid.
- (c) The majority of the Council called for the purpose of considering matters respecting the Corporation constitutes a meeting.

2.6 Divisions

The board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the board may consider appropriate in each case. From time to time the board or any person authorized by the board may authorize, upon such basis as may be considered appropriate in each case:

- (i) the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions or sub-units;
- (ii) the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation; and

- (iii) the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any such officer so appointed without prejudice to such officer's rights under any employment contract or in law, provided that any such officer shall not, as such, be an officer of the Corporation within the meaning of "officer" set out in Section 1.1.

ARTICLE 3 - DIRECTORS

3.1 General

Subject to any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the directors shall oversee the business and affairs of the Corporation.

3.2 Qualification

- (a) The following persons are disqualified from being a director:
 - (i) a person who is less than eighteen (18) years of age,
 - (ii) a person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act, 1990* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere,
 - (iii) a person who is not an individual, and
 - (iv) a person who has the status of bankrupt.
- (b) A director is not required to hold shares issued by the Corporation.
- (c) Not less than 25% of the directors shall be resident Canadians, but where the Corporation has less than four directors, at least one director shall be a resident Canadian.

3.3 Appointment of Directors

Subject to the provisions of the Act and any unanimous shareholders agreement, the directors shall be appointed by the Shareholder and shall assume the role upon appointment.

Directors serve at the pleasure of Council for the term specified by Council at the time of their appointments or until their successors are appointed.

3.4 Fixing Number of Directors

If the articles provide for a minimum and maximum number of directors, the number of directors of the Corporation and the number of directors to be elected at the annual meeting of the shareholder shall be such number as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors.

3.5 Term of Office

Subject to the provisions of the articles and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the term of office of a director shall commence upon the appointment by the shareholder and shall terminate upon the decision of the Shareholder or the resignation of the director.

3.6 Ceasing to Hold Office

A director ceases to hold office when

- (i) he dies or, subject to section 3.6 of this bylaw, he resigns;
- (ii) he is removed from office in accordance with the provisions of the Act or the by-laws; or
- (iii) he becomes disqualified from being a director under the Act or by-laws.

3.7 Resignation of a Director

A director may resign his or her office as a director by giving to the Corporation his or her written resignation, which resignation shall become effective at the later of

- (i) the time at which such resignation is received by the Corporation, or
- (ii) the time specified in the resignation.

3.8 Removal

Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the shareholder may by resolution at an annual or special meeting of shareholder remove any director or directors from office and may by resolution at such meeting appoint any person to fill the vacancy created by the removal of such director.

3.9 Vacancies

Subject to the articles, by-laws and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, where there is a vacancy or vacancies on the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.10 Remuneration

Subject to the articles, the by-laws and any unanimous Shareholder agreement or Shareholder Direction and Operating Agreement, the Shareholder shall determine the remuneration of the directors, officers and employees of the Corporation.

Should a Director choose to waive receipt of the honorarium and/or stipend, the Director shall inform the Board in writing, and the Board shall accept the waiver by way of Resolution. Upon waiver, the honorarium and/or stipend shall be returned to the Board's Operating Budget.

3.11 Power to Borrow

The Shareholder Direction and Operating Agreement precludes the ability of the Board to borrow without the Town's prior written consent

ARTICLE 4 - COMMITTEES

4.1 Appointment

Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the directors may appoint from their number one or more committees and may by resolution delegate to any such committee any of the powers of the directors.

4.2 Provisions Applicable

The following provisions shall apply to any committee appointed by the directors:

- (i) unless otherwise provided by resolution of the directors, each member of a committee shall continue to be a member thereof until the expiration of his or her term of office as a director;
- (ii) the directors may from time to time by resolution specify which member of a committee shall be the chair thereof and, subject to the provisions of section 4.1 of this by-law and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, may by resolution modify, dissolve or

reconstitute a committee and make such regulations with respect to and impose such restrictions upon the exercise of the powers of a committee as the directors think expedient;

- (iii) the meetings and proceedings of a committee shall be governed by the provisions of the by-laws of the Corporation for regulating the meetings and proceedings of the board so far as the same are applicable thereto and are not superseded by any regulations or restrictions made or imposed by the directors pursuant to the foregoing provisions hereof;
- (iv) unless otherwise provided by resolution of the board, the Secretary of the Corporation shall be the secretary of any committee;
- (v) subject to the provisions of section 4.1 of this by-law and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the directors shall fill vacancies in a committee by appointment from among their number; and
- (vi) unless otherwise provided by resolution of the board, meetings of a committee may be convened by the direction of any member thereof.

ARTICLE 5 - MEETINGS OF DIRECTORS

5.1 Place of Meetings

Meetings of the board and of any committee may be held at any place within Canada.

5.2 Calling of Meetings

A meeting of the board may be called at any time by the Chair of the Board, or any two of the directors and the Secretary shall cause notice of a meeting of directors to be given when so directed by any such person or persons.

5.3 Notice of Meetings

- (a) Notice of any meeting of the board specifying the time and, except where the meeting is to be held as provided for in section 5.6 of this by-law, the place for the holding of such meeting shall be given in accordance with the terms of section 12.1 hereof to every director not less than two days before the date of the meeting.
- (b) Notice of an adjourned meeting of the board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.
- (c) Meetings of the board may be held at any time without formal notice if all the directors are present or if all the directors who are not present, in writing or by

email, cable, telegram or any form of transmitted or recorded communication, waive notice or signify their consent to the meeting being held without formal notice. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director either before or after such meeting. Attendance of a director at a meeting of the board is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.4 Regular Meetings

The board may by resolution fix a day or days in any month or months for the holding of regular meetings at a time and place specified in such resolution. A copy of any resolution of the board specifying the time and place for the holding of regular meetings of the board shall be sent to each director at least two days before the first of such regular meetings and no other notice shall be required for any of such regular meetings.

5.5 First Meeting of New Board

The first meeting of the board should be held shortly after the appointment of directors.

5.6 Participation by Telephone or Other Electronic Medium

A meeting of the board or of a committee may be held by means of such telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present in person at that meeting for the purposes of the Act and this by-law. There is no need for the consent of the members of the board or of such committee to the holding of a meeting using such telephone, electronic or other communication facilities.

5.7 Chair and Vice-Chair of the Board

The Chair and Vice Chair of any meeting of the board shall be the Directors so elected by the Board at the first meeting of the Board. In the absence of the Chair the Vice Chair shall act as the Chair.

5.8 Quorum

- (a) Subject to any unanimous shareholders agreement and this by-law, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of the board, but in no case shall a quorum be less than two-fifths of the number of directors or minimum number of directors, as the case may be.

- (b) Directors shall not transact business at a meeting of directors unless a quorum of the board is present.

5.9 Voting

All questions arising at any meeting of the board shall be decided by a majority of votes. In case of an equality of votes, the chair of the meeting shall not have, in addition to his or her original vote, a second or casting vote.

5.10 Auditor

The auditor shall be entitled to attend at the expense of the Corporation and be heard at meetings of the board on matters relating to his or her duties as auditor.

ARTICLE 6 - STANDARD OF CARE OF DIRECTORS AND OFFICERS

6.1 Standard of Care

Every director and officer in exercising his or her powers and discharging his or her duties to the Corporation shall,

- (i) act honestly and in good faith with a view to the best interests of the Corporation; and
- (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.2 Liability for Acts of Others

Subject to the provisions of section 6.1 of this by-law, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipts or acts for conformity or for any loss, damage, or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects of the Corporation shall be lodged or deposited or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless the same are occasioned by his or her own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

ARTICLE 7 - FOR THE PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnification by Corporation

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, or another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in subsection 7.1(a) of this by-law, but the individual shall repay the money to the Corporation if the individual does not fulfil the conditions set out in subsection 7.1(c) of this by-law.
- (c) The Corporation shall not indemnify an individual identified in subsection 7.1(a) of this by-law unless:
 - (i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation shall, subject to the approval of the Ontario Superior Court of Justice, indemnify an individual referred to in subsection 7.1(a) of this by-law, or advance moneys under subsection 7.1(b) of this by-law, in respect of an action by or on behalf of the Corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in subsection 7.1(a) of this by-law, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in clauses 7.1(c)(i) and (ii) of this by-law.
- (e) Notwithstanding anything in this Article, an individual referred to in subsection 7.1(a) of this by-law is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is made a party because of the individual's

association with the Corporation or other entity as described in subsection 7.1(a) of this by-law, if the individual seeking the indemnity:

- (i) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
 - (ii) fulfils the conditions set out in clauses 7.1(c)(i) and (ii) of this by-law.
- (f) The Corporation shall also indemnify an individual referred to in subsection 7.1(a) of this by-law in such other circumstances as the Act or the law permits or requires. Nothing in these by-laws shall limit the right of any person entitled to claim indemnity apart from the provisions of these by-laws.
- (g) The Corporation may from time to time enter into agreements pursuant to which the Corporation agrees to indemnify one or more persons in accordance with the provisions of this section.

7.2 Insurance

The Corporation shall purchase and maintain insurance for the benefit of an individual referred to in subsection 7.1(a) of this by-law against any liability incurred by the individual,

- (i) in the individual's capacity as a director or officer of the Corporation; or
- (ii) in the individual's his or her capacity as a director or officer, or a similar capacity, of another entity, of the individual acts or acted in that capacity at the Corporation's request.

7.3 Directors' Expenses

The directors shall be reimbursed for their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties and no confirmation by the shareholder of any such reimbursement shall be required.

7.4 Performance of Services for Corporation

Subject to Article 8 of this by-law and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, if any director or officer shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his or her being a director or officer shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

ARTICLE 8 - INTEREST OF DIRECTORS AND OFFICERS IN CONTRACTS

8.1 Disclosure of Interest

A director or officer who,

- (i) is a party to a material contract or transaction or proposed material contract or transaction with the Corporation; or
- (ii) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation,

shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest.

8.2 Time of Disclosure by Director

The disclosure required by section 8.1 of this by-law shall be made, in the case of a director,

- (i) at the meeting at which a proposed contract or transaction is first considered;
- (ii) if the director was not then interested in a proposed contract or transaction, at the first meeting after he becomes so interested;
- (iii) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or
- (iv) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he becomes a director.

8.3 Time of Disclosure by Officer

The disclosure required by section 8.1 of this by-law shall be made, in the case of an officer who is not a director,

- (i) forthwith after he becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of directors;
- (ii) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he becomes so interested; or
- (iii) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he becomes an officer.

8.4 Time of Disclosure in Extraordinary Cases

Notwithstanding sections 8.2 and 8.3 of this by-law, where section 8.1 of this by-law applies to a director or officer in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the Corporation's business, would not require approval by the directors or shareholder, the director or officer shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.

8.5 Voting by Interested Director

A director referred to in section 8.1 of this by-law shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is,

- (i) one relating primarily to his or her remuneration as a director of the Corporation or an affiliate;
- (ii) one for indemnity or insurance pursuant to the provisions of the Act;
- (iii) one with an affiliate; or
- (iv) to the extent applicable, permitted under any exception in section 4 of the *Municipal Conflict of Interest Act* (Ontario), R.S.O. 1990, c. M.50.

8.6 Remaining directors deemed quorum

If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of section 8.5, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution.

8.7 Shareholder approval

Where all of the directors are required to make disclosure as described under section 8.1 above, the contract or transaction may be approved only by the shareholder.

8.8 Nature of Disclosure

For the purposes of this Article, a general notice to the directors by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person, or that there has been a material change in the director's or officer's interest in the person, and is to be

regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any such contract or transaction.

8.9 Effect of Disclosure

Where a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he has a material interest,

- (i) the director or officer is not accountable to the Corporation or its shareholder for any profit or gain realized from the contract or transaction; and
- (ii) the contract or transaction is neither void nor voidable,

by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with sections 8.2, 8.3, 8.4 and 8.6 of this by-law, as the case may be, and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved.

8.10 Confirmation by Shareholder

Notwithstanding anything in this Article, a director or officer, acting honestly and in good faith, is not accountable to the Corporation or to its shareholder for any profit or gain realized from any such contract or transaction by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interest therein void or voidable, where,

- (i) the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholder duly called for that purpose; and
- (ii) the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in the information circular required pursuant to the provisions of the Act.

ARTICLE 9 – OFFICERS

9.1 Officers

Subject to the articles, by-laws and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the shareholder or the Board may, annually or as often as

may be required, by resolution appoint a Treasurer and a Secretary. In addition, the board may from time to time by resolution appoint such other officers as the board determines to be necessary or advisable in the interests of the Corporation, which officers shall, subject to the Act, have such authority and perform such duties as may from time to time be prescribed by resolution of the board. If the same person holds both the office of Secretary and the office of the Treasurer, he may be known as Secretary-Treasurer.

9.2 Remuneration and Removal of Officers

The remuneration of all officers shall be determined from time to time by the Shareholder. All officers shall be subject to removal at any time by the Shareholder upon the recommendation of the board.

9.3 Duties of Officers may be Delegated

In case of the absence or inability to act of the Chair of the Board or any other officer of the Corporation, or for any other reason that the board may deem sufficient, the board may delegate those powers to any other officer or to any director for the time being.

9.4 Executive Director

The board may by resolution appoint an Executive Director who shall manage the affairs of the Corporation.

The Executive Director shall perform all duties incident to his office and shall have such powers to perform such other duties as may from time to time be prescribed by resolution of the board.

9.5 Secretary

The Secretary shall give, or cause to be given, all notices required to be given to the shareholder, directors, auditors and members of any committee. He shall enter or cause to be entered in the books kept for that purpose minutes of all proceedings at meetings of directors and of shareholder. He shall be the custodian of the seal (if any) of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation. The Secretary shall have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

9.6 Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or

with such depositary or depositaries as may be required by the shareholder. He shall at all reasonable times exhibit his or her books and accounts to any director upon application at the office of the Corporation during business hours. He shall sign or countersign such instruments as require his or her signature and shall perform all duties incident to his or her office or that are properly required of him or her by resolution of the board. The Treasurer shall also have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

9.7 Delegation of Board Powers

In accordance with the by-laws and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, and subject to the provisions of the Act, the board may from time to time by resolution delegate to any officer or officers power to manage the business and affairs of the Corporation.

9.8 Vacancies

If any office of the Corporation shall for any reason be or become vacant, the directors shall request the Shareholder to fill the vacancy.

9.9 Variation of Powers and Duties

Notwithstanding the foregoing, the board may from time to time and subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, add to or limit the powers and duties of an office or of an officer occupying any office.

ARTICLE 10 - MEETINGS OF SHAREHOLDER

10.1 Calling of Meetings

A meeting of the shareholder may be called at any time by resolution of the board or by the Chair of the Board, and the Secretary shall cause notice of a meeting of shareholder to be given when directed so to do by resolution of the board or by the Chair of the Board.

10.2 Annual Meeting

Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the Corporation shall hold an annual meeting of shareholder not later than eighteen (18) months after the Corporation comes into existence and subsequently not later than fifteen (15) months after holding the last preceding annual meeting

for the purpose of considering the financial statements and the auditor's report, appointing directors and appointing auditors.

10.3 Special Meeting

Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, a special meeting of shareholder may be called at any time and may be held in conjunction with an annual meeting of shareholder.

10.4 Place of Meetings

Subject to the articles and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, a meeting of shareholder shall be held at such place in or outside Ontario as the Shareholder determines or, in the absence of such a determination, at the place where the registered office of the Corporation is located (Midland, ON).

10.5 Notice

Notice of the time and place of each meeting of shareholder shall be given not less than twenty-one (21) days before the date of the meeting to each director, to the auditor and to the shareholder entitled to vote at such meeting. .

10.6 Contents of Notice

The notice of a meeting of shareholder shall state the day, hour and place of the meeting, and shall state or be accompanied by a statement of

- (i) the nature of any special business to be transacted at the meeting in sufficient detail to permit a shareholder to form a reasoned judgment thereon, and
- (ii) the text of any special resolution or by-law to be submitted to the meeting.

For the purposes of this section "special business" includes all business transacted at a special meeting of shareholder and all business transacted at an annual meeting of shareholder, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor.

10.7 Waiver of Notice

A shareholder and any other person entitled to attend a meeting of the shareholder may in any manner and at any time waive notice of a meeting of shareholder, and attendance of any such person at a meeting of shareholder is a waiver of notice of the meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8 Notice of Adjourned Meetings

- (a) If a meeting of shareholder is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned.
- (b) If a meeting of shareholder is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.9 Omission of Notice

Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, the accidental omission to give notice of any meeting of shareholder to any person entitled thereto or the non-receipt of any notice by any such person shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholder.

10.10 Persons Entitled to be Present

The only persons entitled to attend a meeting of shareholder shall be those entitled to vote thereat and the Executive Director, the Secretary, the directors, the Treasurer and the auditor and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

10.11 Chair and Secretary

- (a) The chair of any meeting of shareholder shall be the Mayor, if he or she is present at the meeting. If the Mayor is not present within fifteen (15) minutes after the time appointed for the holding of the meeting then the Deputy Mayor shall be the chair.
- (b) The Secretary of any meeting of shareholder shall be the Municipal Clerk, but if the Clerk is absent, then the Chief Administrative Officer may act as secretary of the meeting.

10.12 Votes to Govern

At all meetings of shareholder every question shall, unless otherwise required by law, the articles, the by-laws, or a unanimous shareholder agreement or Shareholder Direction and Operating Agreement, be determined by the majority of the votes duly cast on the question. In

case of an equality of votes, the chair presiding at the meeting shall not have a second or casting vote.

10.13 Show of Hands

At all meetings of the shareholder, every question submitted to the meeting shall be decided by a show of hands.

10.14 Adjournment

The chair presiding at a meeting of shareholder may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place and, subject to the provisions of the Act, and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement and subsection 10.8(b) of this by-law, no notice of such adjournment or of the adjourned meeting need be given to the shareholders. Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling such meeting.

10.15 Quorum

At any meeting of shareholder quorum will be determined by the majority of the elected members of Council (In the case of 9 Elected Officials then 5 shall be present to constitute a quorum)

ARTICLE 11 - CORPORATE RECORDS AND INFORMATION

11.1 Keeping of Corporate Records

- (a) The Corporation shall prepare and maintain, at its registered office or at such other place in Ontario designated by the directors:
 - (i) the articles and the by-laws and all amendments thereto, and a copy of any unanimous shareholder agreement or Shareholder Direction and Operating Agreement known to the directors,
 - (ii) minutes of meetings and resolutions of shareholder;
 - (iii) a register of directors in which are set out the names and residence addresses, while directors, including the street and number, if any, of all

persons who are or have been directors with the several dates on which each became or ceased to be a director;

(iv) a securities register in which are recorded the securities issued by the Corporation in registered form, showing with respect to each class or series of securities

(A) the names, alphabetically arranged, of persons who,

(1) are or have been within six years registered as shareholders and the address including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder,

(2) are or have been within six years registered as holders of debt obligations of the Corporation and the address including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, or

(3) are or have been within six years registered as holders of warrants of the Corporation, other than warrants exercisable within one year from the date of issue and the address including the street and number, if any, of every such person while a registered holder, and the class or series and number of warrants registered in the name of such holder; and

(B) the date and particulars of the issue of each security and warrant.

(b) In addition to the records described in subsection 11.1(a), the Corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee. The records described in this subsection shall be kept at the registered office of the Corporation or at such other place in Ontario as is designated by the directors and shall be open to examination by any director during normal business hours of the Corporation.

(c) The Corporation shall also cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

11.2 Access to Corporate Records

Shareholder and creditors of the Corporation and their agents and legal representatives may examine the records referred to in subsection 11.1(a) of this by-law during the usual business hours of the Corporation and may take extracts therefrom, free of charge. If the Corporation is an offering corporation, any other person may examine such records during the usual business hours of the Corporation and may take extracts therefrom upon payment of a reasonable fee.

11.3 Copies of Certain Corporate Records

The shareholder is entitled upon request and without charge to one copy of the articles and by-laws and of any unanimous shareholder agreement or Shareholder Direction and Operating Agreement.

11.4 Report to Shareholder

A copy of the financial statements of the Corporation, a copy of the auditor's report, if any, to the shareholder and a copy of any further information respecting the financial position of the Corporation and the results of its operations required by the articles, the by-laws or any unanimous shareholder agreement or Shareholder Direction and Operating Agreement which are to be placed before an annual meeting of shareholder pursuant to the Act shall be sent to the shareholder not less than ten (10) days before such annual meeting of shareholder or before the signing of a resolution in accordance with the Act in lieu of such annual meeting.

11.5 No Discovery of Information

Except as specifically provided for in this Article, and subject to all applicable law, no shareholder shall be entitled to or to require discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors would be inexpedient or inadvisable in the interests of the Corporation to communicate to the public.

11.6 Conditions for Inspection

The board may from time to time by resolution determine whether and to what extent and at what times and place and under what conditions or regulations the accounts and books of the Corporation or any of them shall be open to the inspection of shareholder. The shareholder shall not have any right to inspect any account or book or document of the Corporation, except as specifically provided for in this Article or as otherwise provided for by statute or as authorized by resolution of the board.

ARTICLE 12 - NOTICES

12.1 Method of Giving

Any notice, communication or other document to be sent or given by the Corporation to a shareholder, director, officer, or auditor of the Corporation under any provision of the Act, the articles or by-laws shall be sufficiently sent and given if delivered personally to the person to whom it is to be given or if delivered to his or her last address as shown in the records of the Corporation or its transfer agent or if mailed by prepaid ordinary mail or air mail in a sealed envelope addressed to him or her at his or her last address as shown on the records of the Corporation or its transfer agent or if sent by any means of wire or wireless or any other form of transmitted or recorded communication. The Secretary may change the address on the records of the Corporation of any shareholder in accordance with any information believed by him or her to be reliable. A notice, communication or document so delivered shall be deemed to have been sent and given when it is delivered personally or delivered at the address aforesaid. A notice, communication or document so mailed shall be deemed to have been sent and given on the day it is deposited in a post office or public letter box and shall be deemed to be received by the addressee on the fifth day after such mailing. A notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been given when transmitted to the appropriate communication corporation or agency or its representative.

12.2 Persons Becoming Entitled by Operation of Law

Subject to the provisions of the Act and any unanimous shareholder agreement or Shareholder Direction and Operating Agreement, every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any share or shares of the Corporation shall be bound by every notice or other document in respect of such share or shares which previous to his or her name and address being entered on the records of the Corporation shall be duly given to the person or persons from whom he derives his or her title to such share or shares.

12.3 Signature to Notice

The signature, if any, to any notice to be given by the Corporation may be written, stamped, typewritten, printed or otherwise mechanically reproduced in whole or in part.

12.4 Proof of Service

A certificate of the Chair of the Board, the Secretary or the Treasurer or of any other officer in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the delivery or mailing or service of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall, in the absence of evidence to the contrary, be proof thereof.

12.5 Computation of Time

Where a given number of days' notice or notice extending over any period is required to be given, the number of days or period shall be computed in accordance with the definition of "day" contained in section 1.1 of this by-law.

12.6 Waiver of Notice

Any shareholder (or his or her duly appointed proxyholder), director, officer, auditor or member of a committee may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under any provisions of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholder or of the board which may be given in any manner.

ENACTED by the Board of Directors of the Corporation on the ____ day of _____, 2019.

APPROVED by the sole shareholder of the Corporation the ____ day of _____, 2019.

MIDLAND BAY LANDING DEVELOPMENT CORPORATION
