



# TOWN OF SMOKY LAKE AND SMOKY LAKE COUNTY JOINT COUNCIL COMMITTEE MEETING



## **A G E N D A:** Town of Smoky Lake and Smoky Lake County Joint Council Meeting

to be held on Friday, **April 1, 2022** at **3:30 p.m.** through Zoom:

<https://us02web.zoom.us/j/85792094714?pwd=SFlyN0Z0SHVGUEQzaGthVVIQWmVwQT09>

Or, by dialing in at 1-877-853-5257, Meeting ID: 857 9209 4714 Passcode: 554710

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### **1 Meeting:**

Call to Order.

### **2 Agenda:**

Adoption of Agenda: as presented or subject to additions or deletions.

### **3 Minutes:**

3.1 Minutes of the Joint Council Meeting held on: December 9, 2021. ©

3.2 Action List of the Joint Council Meeting held on: December 9, 2021. ©

### **4 Issues for Decision:**

4.1 MCC for Smoky Lake Development Corp. – Documents from the Solicitor:

4.1.1 Brownlee LLP March 29, 2022 letter - Incorporation & Organizational Matters. ©  
**Recommendation: Acknowledge receipt.**

4.1.2 Certificate of Incorporation, Articles of Incorporation, & Registration Statement. ©  
**Recommendation: Acknowledge receipt.**

4.1.3 CRA Alberta Corporate Access Number and Business Number. ©  
**Recommendation: Acknowledge receipt.**

4.1.4 Unanimous Shareholder Agreement. ©  
**Recommendation #1: Town execute agreement.**  
**Recommendation #2: County execute agreement.**

4.1.5 Corporate Bylaw No. 1. © **\*\*MCC BOARD OF DIRECTORS ONLY\*\***  
**Recommendation: MCC as a Board is to review and adopt at a separate Meeting, execution by the president of the Corporation.**

4.1.6 Consent to act as Director to the MCC for Smoky Lake Development Corp.©  
**Recommendations: Each Director to execute their named Consent.**

4.1.7 Resolutions of Shareholders. ©  
**Recommendation #1: Town execute Resolution.**  
**Recommendation #2: County execute Resolution.**

4.1.8 Resolution of Directors. ©  
**Recommendation #1: Town to appoint Amy Cherniwchan and Adam Kozakiewicz.**  
**Recommendation #2: County appoint Lorne Halisky and Linda Fenerty.**

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4.1.9 Shareholders Subscriptions. ©

**Recommendation 1#:** Execute Shareholder Subscription – County with Town for 100 Class “A” Common Voting Shares at **\$100 per share.**

**Recommendation 2#:** Execute Shareholder Subscription – Town with County for 100 Class “A” Common Voting Shares at **\$100 per share.**

4.2 SLC Bylaw No. 1413-22: Lending Money to a Municipal Controlled Non-Profit Organization. ©  
**Recommendation:** County Give 1<sup>st</sup> reading & Public Participation Process.

4.3 TSL Bylaw No.002-2022: Lending Money to a Municipal Controlled Non-Profit Organization.  
**Recommendation:** Town to Give 1<sup>st</sup> reading & Public Participation Process.

4.4 Budget update for the Victoria District Economic Development Strategy.  
**Recommendation:** Acknowledge receipt.

4.5 Tony Sefton, Vision XS Ltd. Service Agreement – Expired December 31, 2021.  
**Recommendation:** approve to extend to March 31, 2022 or beyond.

**5 Other Business:**

**6 Correspondence:**

**7 Delegations:**

**8 Executive Session:**

**9 Next Meeting:**

Date and time of Next Meeting: *Call of the Chair.*

**Adjournment.**



**SMOKY LAKE COUNTY AND TOWN OF SMOKY LAKE  
 JOINT COUNCIL MEETING**



Minutes of the **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting held on Thursday, **December 9, 2021** at 4:02 p.m., held virtually online through Electronic Communication Technology: Zoom Meeting.

The meeting was called to Order by the Smoky Lake County Reeve, Lorne Halisky with the following attendance:

	<u>Position</u>	<u>Name</u>	<u>ATTENDANCE</u> <u>Thursday, Dec. 9, 2021</u>
Smoky Lake County:	Div.1 Councillor	Dan Gawalko	Present Virtually
	Div.2 Councillor	Linda Fenerty	Present Virtually
	Div.3 Councillor	Dominique Cere	Present Virtually
	Reeve/Div.4 Councillor	Lorne Halisky	Present Virtually
	Div.5 Councillor	Jered Serben	Present Virtually
	C.A.O.	Gene Sobolewski	Present Virtually
	C.A.O.	Lydia Cielin	Present Virtually
	Finance Manager	Brenda Adamson	Present Virtually
	Recording Secretary	Patti Priest	Present Virtually
	Fire Chief	Scott Franchuk	Present Virtually
	Deputy Fire Chief	Spencer Kotylak	Present Virtually
	Smoky Lake FD Fire Chief	Juanita Cozicar	Present Virtually
	Town of Smoky Lake:	Mayor	Amy Cherniwchan
Deputy Mayor		Melody Morton	Present Virtually
Councillor		Evelynn Kobes	Present Virtually
Councillor		Marianne Prockiw-Zurusk	Present Virtually
Councillor		Terry Makowichuk	Present Virtually
C.A.O.		Adam Kozakiewicz	Present Virtually
	Assistant C.A.O.	Crystal Letwin	Present Virtually

\*\*\*\*\*  
 One Member of the Public was present.  
 No Members of the Media were present.  
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**2. AGENDA:**

J255-21: Fenerty

That the **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting Agenda for Thursday, December 9, 2021 be adopted, as amended:

**Additions to the Agenda:**

1. Smoky Lake Fire Department Year-2022 Capital Budget.
2. Vision XS – Tourism, Victoria District Economic Development Strategy.
3. Smoky Lake Agricultural Complex’s AED (Automated External Defibrillator).

**Town of Smoky Lake:** motion moved by Makowichuk.

Carried Unanimously.

**3. MINUTES:**

J256-21: Gawalko That the **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting Minutes from the June 8, 2021, be adopted as presented.

**Town of Smoky Lake:** motion moved by Cherniwchan.

Carried.

J257-21: Serben That the **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting Action List from the June 8, 2021, be adopted as presented.

**Town of Smoky Lake:** motion moved by Makowichuk.

Carried.

**4. ISSUES FOR DISCUSSION:**

**2022 Supplies Budget for the Smoky Lake Fire Department**

J258-21: Gawalko That Smoky Lake County Council and Town of Smoky Lake Council adopt the 2022 budget for Personal Protective Equipment, Equipment and Supplies and OH & S Requirements for the Smoky Lake Fire Department from the previous budget of \$27,000.00, not to exceed the amount of \$35,000.00 for Year 2022.

**Town of Smoky Lake:** motion moved by Cherniwchan.

Carried.

**2022 Operating Training Budget for the Smoky Lake Fire Department**

J259-21: Fenerty That Smoky Lake County Council and Town of Smoky Lake Council adopt the 2022 for Training for the Smoky Lake Fire Department, from the previous budget of \$60,000.00 not to exceed the amount of \$40,000.00 for Year 2022.

**Town of Smoky Lake:** motion moved by Makowichuk.

Carried.

Evelynn Kobes, Town of Smoky Lake Councillor, virtually left the meeting time 4:21 p.m.

**Fire Services: Firefighter Expense Claim**

J260-21: Fenerty That Smoky Lake County Council and Town of Smoky Lake Council acknowledge no action is required in response to the Smoky Lake Fire Department Member's request for reimbursement in the amount of \$334.00 to replace their prescription eyewear which were damaged during an incident which occurred on October 10, 2021 in the Town of Smoky Lake, as the costs were covered by the member's personal insurance.

**Town of Smoky Lake:** motion moved by Morton.

Carried.

Evelynn Kobes, Town of Smoky Lake Councillor, virtually re-joined the meeting time 4:26 p.m.

**Fire Services: Firefighter Claims for Personal Effects**

J261-21: Cere

That Smoky Lake County Council and Town of Smoky Lake Council review all Fire Department Member claims relating to expenses for personal property and/or effects which are not covered by personal insurance at the **Smoky Lake County and Town of Smoky Lake** Joint Council Meetings, for consideration of reimbursement.

**Town of Smoky Lake:** motion moved by Makowichuk.

Carried.

**ADDITION TO THE ADDITION:**

**Smoky Lake Fire Department Year-2022 Capital Budget**

J262-21: Gawalko

That Smoky Lake County Council and Town of Smoky Lake Council adopt the Year-2022 Capital Budget for the Smoky Lake Fire Department, including two (2) LifePak CR2 Automatic External Defibrillators in the amount not to exceed \$6,000.00 to be costs shared at sixty percent (60%) County and forty percent (40%) Town.

**Town of Smoky Lake:** motion moved by Morton.

Carried.

**4. ISSUES FOR DISCUSSION:**

**Firefighter Claims for Mental Health**

J263-21: Jered

That Smoky Lake County Council and Town of Smoky Lake Council agree to cost share the portion of Fire Department Member Mental Health expense claims not covered by personal insurance or not covered by the Volunteer Firefighter insurance (VFIS), at seventy-five percent (75%) County and twenty-five percent (25%) Town.

**Town of Smoky Lake:** motion moved by Morton.

Carried.

**ADDITION TO THE ADDITION:**

**Smoky Lake Agricultural Complex's Automatic Emergency Defibrillator (AED)**

J264-21: Serben

That Smoky Lake County and Town of Smoky Lake Council approve to cost share 60% Smoky Lake County and 40% Town of Smoky Lake, the County Invoice Number 50306 to the Smoky Lake Agricultural Society for an Automatic Emergency Defibrillator (AED) at the Complex; and advise the Smoky Lake Agricultural Society's Facility Operators to budget for these items going forward.

**Town of Smoky Lake:** motion moved by Morton.

Carried.

**6. CORRESPONDENCE:**

No Correspondence.

**7. DELEGATIONS:**

No Delegations.

Scott Franchuk, Smoky Lake County Fire Chief and Spencer Kotylak, Smoky Lake County Deputy Fire Chief, virtually left the meeting, time 6:02 p.m.

**8. EXECUTIVE SESSION:**

**Vision XS**

J265-21: Gawalko

That Smoky Lake County and Town of Smoky Lake Council go into Executive Session to discuss a Legal Issue, under the authority of the FOIP Act, Section 16 third party business interests, in regard to Vision XS (Vision the experience specialists) document titled "Strategy and Budget Going Forward" provided from Tony Sefton, CEO Vision XS (Vision the experience specialists) in an email dated November 30, 2021, relating to the Victoria District Economic Development Strategy, time, 6:03 p.m..

**Town of Smoky Lake:** motion moved by Morton.

Carried.

J266-21: Gawalko

That Smoky Lake County and Town of Smoky Lake Council go out of Executive Session 6:40 p.m..

**Town of Smoky Lake:** motion moved by Cherniwchan.

Carried.

J267-21: Fenerty

That Smoky Lake County and Town of Smoky Lake accept the information provided by Tony Sefton, CEO Vision XS (Vision the experience specialists) in an email dated November 30, 2021, as discussed on December 9, 2021 under Executive Session, and reaffirm the previously approved budget in the amount of \$249,700.

**Town of Smoky Lake:** motion moved by Cherniwchan.

Carried.

**Next Meeting**

The next **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting will be scheduled at the call of the Reeve or Mayor.

**Adjournment**

J268-21: Fenerty

That the **Smoky Lake County** and **Town of Smoky Lake** Joint Council Meeting of December 9, 2021, adjourn, time 6:44 p.m.



**Town of Smoky Lake:** motion moved by Makowichuk.

Carried.

**ACTION LIST:**



**#3.2**

**December 9, 2021      Joint Council Meeting: Smoky Lake County and Town of Smoky Lake**

MOTION NO.	RESOLUTION	ACTION  
J258-21	That Smoky Lake County Council and Town of Smoky Lake Council adopt the 2022 budget for Personal Protective Equipment, Equipment and Supplies and OH & S Requirements for the Smoky Lake Fire Department from the previous budget of \$27,000.00, not to exceed the amount of \$35,000.00 for Year 2022.	As per Motion J258-21, the amount has been incorporated into the Year-2022 budget.
J259-21	That Smoky Lake County Council and Town of Smoky Lake Council adopt the 2022 for Training for the Smoky Lake Fire Department, from the previous budget of \$60,000.00 not to exceed the amount of \$40,000.00 for Year 2022.	As per Motion J259-21, the amount has been incorporated into the Year-2022 budget.
J260-21	That Smoky Lake County Council and Town of Smoky Lake Council acknowledge no action is required in response to the Smoky Lake Fire Department Member's request for reimbursement in the amount of \$334.00 to replace their prescription eyewear which were damaged during an incident which occurred on October 10, 2021 in the Town of Smoky Lake, as the costs were covered by the member's personal insurance.	No action required.
J261-21	That Smoky Lake County Council and Town of Smoky Lake Council review all Fire Department Member claims relating to expenses for personal property and/or effects which are not covered by personal insurance at the Smoky Lake County and Town of Smoky Lake Joint Council Meetings, for consideration of reimbursement.	Going forward all claims as per motion J261-21 will be brought forward to the Joint Councils.
J262-21	That Smoky Lake County Council and Town of Smoky Lake Council adopt the Year-2022 Capital Budget for the Smoky Lake Fire Department, including two (2) LifePak CR2 Automatic External Defibrillators in the amount not to exceed \$6,000.00 to be costs shared at sixty percent (60%) County and forty percent (40%) Town.	As per Motion J262-21, the amount has been incorporated into the Year-2022 budget.
J263-21	That Smoky Lake County Council and Town of Smoky Lake Council agree to cost share the portion of Fire Department Member Mental Health expense claims not covered by personal insurance or not covered by the Volunteer Firefighter insurance (VFIS), at seventy-five percent (75%) County and twenty-five percent (25%) Town.	Going forward all claims will be cover as per motion J263-21.

**ACTION LIST:**

**December 9, 2021      Joint Council Meeting: Smoky Lake County and Town of Smoky Lake**

MOTION NO.	RESOLUTION	ACTION  
<b>J264-21</b>	That Smoky Lake County and Town of Smoky Lake Council approve to cost share 60% Smoky Lake County and 40% Town of Smoky Lake, the County Invoice Number 50306 to the Smoky Lake Agricultural Society for an Automatic Emergency Defibrillator (AED) at the Complex; and advise the Smoky Lake Agricultural Society's Facility Operators to budget for these items going forward.	The County ordered and paid for the supplies as per Trevor. The County invoiced the Ag Society which then asked Mel (Town Councillor) to bring it forward to see if the Town and County will cover the expense.
<b>J267-21</b>	That Smoky Lake County and Town of Smoky Lake accept the information provided by Tony Sefton, CEO Vision XS (Vision the experience specialists) in an email dated November 30, 2021, as discussed on December 9, 2021 under Executive Session, and reaffirm the previously approved budget in the amount of \$249,700.	Budget confirmed to be \$249,700.  SLC's Municipal File: 61-8





Refer to: J. C. McDonnell  
Direct Line: 780-497-4801  
E-mail: [jmcdonnell@brownleelaw.com](mailto:jmcdonnell@brownleelaw.com)  
Your File #:   
Our File #: 87711-0001/JCM

March 29, 2022

**VIA EMAIL**  
[cao@smokylakecounty.ab.ca](mailto:cao@smokylakecounty.ab.ca)

MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
PO Box 310  
Smoky Lake County, Alberta  
T0A 3C0

**Attention: Gene Sobolewski, CAO**

Dear Sir:

**Re: MCC for Smoky Lake Development Corp. (the "Corporation")  
Incorporation and Organizational Matters**

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We confirm we have completed the incorporation and organization of the Corporation, and enclose the following for your files, review and/or execution:

1. Certificate of Incorporation. You may keep this for your file;
2. Articles of Incorporation. You may keep this for your file;
3. Registration Statement. You may keep this for your file;
4. Correspondence from Corporate Registry re: Business Number Issued;
5. Unanimous Shareholder Agreement;
6. By-law No. 1, relating to the general transaction of business of the Corporation, to be executed by the President of the Corporation;
7. Resolution of the directors, to be executed by Lorne Halisky, Linda Fenerty, Amy Cherniwchan, and Adam Wayne Kozakiewicz, as directors of the Corporation relating to:
  - (a) the appointment of officers (**please indicate who are going to be appointed as officers**);
  - (b) enactment of By-law No. 1;
  - (c) approving the form of share certificate;



- (d) issuance of shares;
  - (e) financial year-end (**please fill in the date of your financial year-end**).
8. Resolution of the shareholders, to be executed by Town of Smoky Lake and Smoky Lake County, as voting shareholders of the Corporation relating to:
    - (a) the election of directors;
    - (b) confirmation of By-law No. 1;
    - (c) appointment of accountants, and;
    - (d) ratification of actions.
  9. Consents to Act as Director, to be executed by Lorne Halisky, Linda Fenerty, Amy Cherniwchan, and Adam Wayne Kozakiewicz;
  10. Share Subscriptions, to be executed by the following persons:
 

Town of Smoky Lake	-	100 Class "A" Common Voting Shares
Smoky Lake County	-	100 Class "A" Common Voting Shares
  11. Share Certificates A-1 and A-2, to be executed by the President of the Corporation (**original share certificates will be mailed to you**).

Once executed, kindly return all originals to our office for filing in the corporate minute book.

While complete details of the organization of the Corporation will be contained in the minute book of the Corporation, we thought it would be useful to summarize for you the more important matters relevant to the Corporation.

#### **CORPORATION**

The Corporation was incorporated under the *Business Corporations Act* (Alberta) (the "Act") by a Certificate of Incorporation effective March 28, 2022.

The charter of the Corporation (called the "Articles") provides for certain restrictions on the issue, transfer or ownership of the shares of the Corporation and the number of shareholders of the Corporation in order to ensure that the Corporation is categorized as a "private company". The number of shareholders is limited to fifty (50) (not including persons who are in the employment of the Corporation) with two or more persons holding one or more shares jointly being counted as a single shareholder. No shares of the Corporation may be allotted, issued or transferred without the express sanction of the board of directors, to be signified by a resolution duly passed at a meeting of the board of directors or by instrument or instruments in writing signed by all of the directors. As well, the Corporation cannot offer its securities to the public.

The Articles also authorize your agents (in this case our firm) to execute and file documents with Alberta Corporate Registry or any other similar entity in or outside the Province of Alberta.



**CORPORATE NAME**

Under the Act, the Corporation shall set out its name in legible characters in or on all contracts, invoices, negotiable instruments, and orders for goods or services, issued or made by or on behalf of the Corporation.

**IE. MCC FOR SMOKY LAKE DEVELOPMENT CORP.**

**PER:** \_\_\_\_\_,  
\_\_\_\_\_, President

It is very important for all third parties with whom the Corporation is dealing, to be aware that they are dealing with a limited liability entity and, as such, disclosure of the full name of the Corporation should be made not only as set forth above but on all business cards and other correspondence or promotional materials. There have been cases whereby directors of a corporation have been found personally liable because a third party claimant has alleged that he or she was not aware that such claimant was dealing with a limited liability entity.

If the Corporation is utilizing a business name or tradename then a declaration to this effect must be prepared and filed with the Registrar of Corporations and we would be pleased to prepare such documentation in this regard. However, and as stated above, even if a business name or tradename other than the full name of the Corporation is used, the full name of the Corporation must nevertheless be disclosed as set forth above so that people will be aware that such business name or tradename is either a division of or being operated by the Corporation.

**CAPITAL**

The classes and any maximum number of shares that the Corporation is authorized to issue are as follows:

<u>Class of Shares</u>	<u>Number of Shares</u>
Class "A" Common Voting	Unlimited
Class "B" Common Voting	Unlimited
Class "C" Common Voting	Unlimited
Class "D" Common Non-Voting	Unlimited
Class "E" Common Non-Voting	Unlimited
Class "F" Common Non-Voting	Unlimited
Class "G" Preferred Non-Voting	Unlimited
Class "H" Preferred Non-Voting	Unlimited
Class "I" Preferred Non-Voting	Unlimited



All shares of the Corporation are without nominal or par value and are non-assessable.

A share cannot be issued until the consideration for the share is fully paid for in money or in property or in past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money. The consideration for the issue of shares in the capital stock of the Corporation is to be determined by the directors, acting in the best interest of the Corporation. Property does not include a promissory note or a promise to pay.

#### **ISSUE OF SHARES**

The documentation which has been prepared reflects that the present issued capital of the Corporation consists of the following shares (the "shares") which have been issued for the aggregate consideration listed below and are registered as follows:

<u>Name</u>	<u># of Shares</u>	<u>Class of Shares</u>	<u>Consideration</u>
Town of Smoky Lake	100	Class "A" Common Voting	\$1.00
Smoky Lake County	100	Class "A" Common Voting	\$1.00

We would ask that you please provide our offices with copies of the cheques made payable to the Corporation for the consideration amounts of the shares indicated above. Thereafter, please ensure that the originals of said cheques are deposited to the credit of the Corporation once the corporate bank account has been established.

#### **POWER**

The Corporation has the capacity and the rights, powers and privileges of a natural person. The Articles of the Corporation do not include any restrictions on the Corporation's activities and it may therefore engage in any lawful business.

The Corporation has the capacity to carry on its business, conduct its affairs and exercise its powers in any jurisdiction outside of Alberta to the extent that the laws of such jurisdiction permit. An extra-provincial licence is required by most Canadian provinces before the Corporation may commence its business within such province.

The Corporation should also consider whether any local, municipal or other licensing and registration requirements must be met before commencement of business.

#### **ORGANIZATION**

A general by-law ("By-law No. 1"), relating generally to the business and affairs of the Corporation has been prepared. By-law No. 1 provides for, among other things, the procedure for directors' and shareholders' meetings, the appointment and constitution of committees, the appointment and the duties of the officers and the payment of dividends, the execution of documents and the issue and transfer of shares.

With regard to the signing of any documents on behalf of the Corporation, and particularly with respect to the signing of all Corporation cheques, please note that the word "per" must appear under the name of the Corporation and before the signature of the duly authorized signing officer and such person's



office in the Corporation should also be set out in order to ensure that such person does not incur any personal liability.

#### **DIRECTORS**

The number of directors of the Corporation may be a minimum of One (1) director and a maximum of Fifteen (15) directors of whom simple majority constitute a quorum for the transaction of business. The documentation which has been prepared reflects that the present directors are:

Lorne Halisky  
Linda Fenerty  
Amy Cherniwchan  
Adam Wayne Kozakiewicz.

A director is required to be an individual of not less than eighteen (18) years of age. It is not necessary for a director to be a shareholder of the Corporation.

Any change in the minimum or maximum number of directors specified in the Articles may only be effected by the Corporation obtaining an amendment to its Articles. However, a change in the number of directors within the limits provided by the Articles may be effected by special resolution, being a resolution that is passed at a meeting of shareholders by at least two-thirds of the votes cast, or consented to in writing by each shareholder of the Corporation entitled to vote at such meeting.

#### **DIRECTORS' LIABILITY**

While the status of a corporation normally protects its directors from personal liability for the legitimate activity as a director carried out in good faith, there are numerous exceptions to this general rule. These exceptions generally fall within three categories:

- (a) liability to the payment of fines or for imprisonment for participating in or acquiescing in illegal or unlawful acts of the corporation;
- (b) the obligation to pay for certain debts or liabilities of the corporation in the event the corporation fails to pay such liabilities whether through insolvency or for any other reason or where the corporation makes a payment which is prohibited by law;
- (c) the obligation to comply with certain statutory obligations under relevant statutes which shall include, and not be limited to, the *Excise Tax Act*, the *Employment Insurance Act*, the *Environmental Protection and Enhancement Act*, amongst others.

While the various instances included in the first category are too numerous to detail, they generally involve the breach by the corporation of the provision of specific federal or provincial laws (including environmental laws) that have been acquiesced in or authorized by the directors.

Some of the more common instances falling into the second category are as follows:

#### **WAGES**

Under the Act, directors of the Corporation are jointly and severally liable to employees of the Corporation for all debts not exceeding six (6) months wages payable to each employee for services



performed for the Corporation while they are directors respectively. The Act further sets forth certain provisions in which directors will not be liable as aforesaid for employee wages.

#### **EMPLOYEE WAGE DEDUCTIONS**

The federal *Income Tax Act* provides that, prima facie, a director will be held personally liable for source deductions withheld from employees and not remitted to the Minister of National Revenue. In order to avoid liability, a director would have to show that he or she acted in good faith and that his or her failure to ensure deductions were remitted was reasonable in the circumstances.

#### **GOODS AND SERVICES TAX**

The *Excise Tax Act* of Canada is the federal legislation which establishes the goods and services tax. It provides that the directors of the Corporation are jointly and severally liable, together with the Corporation, to pay any GST (and interest and penalties) collected by the Corporation on behalf of the Government. To avoid liability for the tax, a director would have to show that he or she exercised the degree of care, diligence and skill to prevent the failure of the Corporation to remit the net tax owed that a reasonable prudent person would have exercised in comparable circumstances.

#### **NEGLIGENCE**

Every director has a duty to act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If a director fails to meet these standards and loss results to the Corporation, the Corporation may have a cause of action against such director. There is also a possibility that the shareholders would be able to bring a derivative action against the director (although often in closely-held corporations the shareholders and directors are the same parties). However, because the Corporation is entitled to bring an action, the possibility that a receiver-manager of the Corporation appointed by a secured party may take such an action must be recognized. Accordingly, you should approach your duties as a director with reasonable skill and diligence.

#### **ILLEGAL CORPORATE ACTIONS**

In certain circumstances, directors can be personally liable for authorizing an illegal corporate action. The most common situation would be where the directors authorize the payment of a dividend or the giving of financial assistance to a shareholder when the Act prohibits such payment or assistance. With respect to declaration of dividends, the Act sets out certain tests regarding the solvency of the corporation that must be met before dividends can be declared. If a director authorizes the declaration of a dividend contrary to the provisions of the Act, he or she is liable not only for the amount he or she may have received as a shareholder, but also for the full amount of all dividends declared. A director may face similar liabilities if a corporation repurchases or redeems its own shares contrary to solvency tests set forth in the Act.

The purpose of the foregoing is to serve as a warning with respect to certain of the most important potential liabilities. It must be recognized that it is not feasible to review all possible situations in which a director could become personally liable. We urge you to contact us if you have any questions concerning the legality of acts of the corporation or your potential personal liability in particular fact situations.

#### **OFFICERS**

The officers of the Corporation need not be shareholders or directors.



The documentation which has been prepared reflects that the Corporation's present officers are still to be determined.

#### **AUDITOR AND ACCOUNTANT**

Where the Corporation is not offering its securities to the public and all of the shareholders of the Corporation consent in writing in respect of a particular financial year of the Corporation, then the Corporation is exempt from the requirements of Section 163 of the Act regarding the appointment and duties of an auditor in respect of such financial year of the Corporation.

#### **TAX RETURNS**

It is the responsibility of you together with your financial advisor to prepare and file the appropriate tax returns for the Corporation from year to year.

#### **TRANSACTION OF BUSINESS**

Meetings of the directors may be held at any place provided a quorum is present. By-law No. 1 provides that notice of every directors' meeting be given to each director at least twenty-four (24) hours before the meeting is to be held. Generally, a notice of a meeting of the directors need not specify the purpose or the business to be transacted at the meeting. A director may, in any manner, waive a notice of a meeting of directors and attendance of a director at a meeting of directors is a waiver of notice of the meeting. A director may, if all the directors consent, participate in a directors' meeting by telephone (or other communications facilities) which permits all persons participating in the meeting to hear each other. Under these circumstances, such director is deemed to be present at the meeting.

At least twenty-one (21) but not more than fifty (50) days' notice is required for a meeting of shareholders. The first annual meeting must be called not later than eighteen (18) months after incorporation and subsequently not later than fifteen (15) months after holding the last preceding annual meeting. The shareholders and any other person entitled to attend the meeting of shareholders may in any manner waive notice of a meeting of shareholders and the attendance of any such person at a meeting of shareholders is a waiver of the notice of the meeting.

Any by-law or resolution authorized at any time during a Corporation's existence by the signature of all of the directors or all of the shareholders is as valid as if it had been passed at a meeting of the directors or shareholders.

#### **EXECUTION OF INSTRUMENTS**

By-law No. 1 provides that contracts, documents or instruments in writing required to be signed by the Corporation may be signed on behalf of the Corporation as directed by the directors by way of a resolution. In the absence of a directors' resolution, the enclosed documents may be executed by any person holding the office of Chairman of the Board, President, Vice-President, Secretary, Treasurer or Managing Director or any other office created by by-law or by the directors.

#### **CORPORATE RECORDS**

As authorized by the directors, and unless we receive instructions to the contrary, we shall keep the corporate records at our offices. The corporate records are to contain a copy of the Articles, by-laws and all amendments thereto, a copy of any unanimous shareholder agreement, minutes of meetings and resolutions of directors and shareholders, a register of directors, a register of shares issued in the



capital stock of the Corporation and the holders thereof, and a register of transfers of such shares and debt obligations issued by the Corporation.

Accordingly, we ask that you please keep us advised of this information and of any changes which you propose in order that we may keep the corporate records up-to-date and ensure that all legal requirements are complied with.

**ANNUAL MAINTENANCE**

The Act requires that annual meetings be held or annual resolutions be passed each year. These meetings or resolutions deal with a number of matters, including in particular the approval of financial statements. Each year upon receipt of the Corporation's Annual Return from Alberta Registries our offices proceed to prepare Annual Director and Shareholder Resolutions with respect to the aforesaid. At this time, we will also provide our annual Statement of Account for acting as the Corporation's registered and records office. It is our practice to do this work each year without requesting specific instructions from our clients. Of course, if a client wishes to be contacted on an annual basis to request specific instructions prior to proceeding with the work, we would honour that request.

Should you have any questions in regard to the above, please do not hesitate to contact the writer at your convenience.

Yours truly,

BROWNLEE LLP

Per:

**JOHN C. McDONNELL**

Encl.

JCM:so



**CORPORATE ACCESS NUMBER: 2024193308**

**Government  
of Alberta ■**

**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
INCORPORATION**

**MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
WAS INCORPORATED IN ALBERTA ON 2022/03/28.**



**Articles of Incorporation  
For  
MCC FOR SMOKY LAKE DEVELOPMENT CORP.**

**Share Structure:** SEE ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE "B"  
**Number of Directors:**  
**Min Number of Directors:** 1  
**Max Number of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE "C"

**Registration Authorized By: JOHN C. MCDONNELL  
SOLICITOR**

# Incorporate Alberta Corporation - Registration Statement

**Alberta Registration Date: 2022/03/28**

**Corporate Access Number: 2024193308**

## **Business Number:**

**Service Request Number:** 37313351  
**Alberta Corporation Type:** Named Alberta Corporation  
**Legal Entity Name:** MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
**Business Number:**  
**French Equivalent Name:**  
**Nuans Number:** 121551290  
**Nuans Date:** 2022/03/25  
**French Nuans Number:**  
**French Nuans Date:**

## **REGISTERED ADDRESS**

**Street:** 2200-10155 102 ST NW  
**Legal Description:**  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5J4G8

## **RECORDS ADDRESS**

**Street:** 2200-10155 102 ST NW  
**Legal Description:**  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5J4G8

## **ADDRESS FOR SERVICE BY MAIL**

**Post Office Box:**  
**City:**  
**Province:**  
**Postal Code:**  
**Email Address:** SOUW@BROWNLEELAW.COM  
**Share Structure:** SEE ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE "B"  
**Number of Directors:**  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7

**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE "C"  
**Professional Endorsement Provided:**  
**Future Dating Required:**  
**Registration Date:** 2022/03/28

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#### Agent for Service

**Agent for Service Type:** Primary  
**Last Name:** MCDONNELL  
**First Name:** JOHN  
**Middle Name:**  
**Firm Name:** BROWNLEE LLP  
**Street:** 10155 - 102 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5J4G8  
**Email Address:** SOUW@BROWNLEELAW.COM

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#### Director

**Last Name:** KOZAKIEWICZ  
**First Name:** ADAM  
**Middle Name:** WAYNE  
**Street/Box Number:** PO BOX 460  
**City:** SMOKY LAKE  
**Province:** ALBERTA  
**Postal Code:** T0A3C0  
**Country:**

**Last Name:** HALISKY  
**First Name:** LORNE  
**Middle Name:**  
**Street/Box Number:** PO BOX 310  
**City:** SMOKY LAKE  
**Province:** ALBERTA  
**Postal Code:** T0A3C0  
**Country:**

**Last Name:** FENERTY  
**First Name:** LINDA  
**Middle Name:**  
**Street/Box Number:** PO BOX 310  
**City:** SMOKY LAKE  
**Province:** ALBERTA  
**Postal Code:** T0A3C0  
**Country:**

**Last Name:** CHERNIWCHAN  
**First Name:** AMY  
**Middle Name:**  
**Street/Box Number:** PO BOX 460  
**City:** SMOKY LAKE  
**Province:** ALBERTA  
**Postal Code:** T0A3C0  
**Country:**

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#### Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Other Rules or Provisions	ELECTRONIC	2022/03/28
Restrictions on Share Transfers	ELECTRONIC	2022/03/28
Share Structure	ELECTRONIC	2022/03/28

**Registration Authorized By:** JOHN C. MCDONNELL  
SOLICITOR

The Registrar of Corporations certifies that the information contained in this statement is an accurate reproduction of the data contained in the specified service request in the official public records of Corporate Registry.

SCHEDULE "A"

THE CLASSES OF SHARES, AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:

1. The Corporation is authorized to issue an unlimited number of shares of the following classes:

Class "A" Common Voting Shares

Class "B" Common Voting Shares

Class "C" Common Voting Shares

Class "D" Common Non-Voting Shares

Class "E" Common Non-Voting Shares

Class "F" Common Non-Voting Shares

Class "G" Preferred Non-Voting Shares

Class "H" Preferred Non-Voting Shares

Class "I" Preferred Non-Voting Shares

to which the following rights and restrictions shall attach:

(a) Voting

The holders of Class "A", Class "B" and Class "C" Shares shall be entitled to vote at all meetings of the shareholders of the Corporation except meetings at which only holders of a specified class of shares are, by the provisions of the Business Corporations Act (Alberta), entitled to vote. The Class "D", Class "E", Class "F", Class "G", Class "H", Class "I" Shares, and any class of Preferred Shares of any particular series, shall be non-voting subject always to the provisions of the Business Corporations Act (Alberta).

(b) Dividends

- (i) The holders of the Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series shall in each year, at the discretion of the directors, but without preference or priority with respect to payment of dividends to holders of any other class of shares, be entitled out of all or any profits or surplus available for dividends, to non-cumulative dividends at a rate no greater than ten (10%) per cent per annum on the Redemption Amount thereof (as described in paragraph 1(c)(i) herein) as may be determined by the directors, payable at such time or times and at such place or places as the directors may determine. The said dividends shall

be non-cumulative whether earned or not earned, and if in any fiscal year the directors in their discretion shall not declare the said dividends or any part thereof, then the right of the holders of Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series, to such dividends or any greater dividend than the dividend actually declared for the fiscal year shall be extinguished. The holders of the Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series shall in no circumstances be entitled to any dividends other than or in excess of the non-cumulative dividends at the maximum rate of ten (10%) per cent per annum herein provided for.

(ii) Exclusive

The holders of each share of any class of shares or any class of a particular series of shares, shall be entitled to receive dividends as and when declared by the directors, acting in their sole discretion, which dividends may be declared on one class of shares or any class of Preferred Shares of any particular series, wholly or partially to the exclusion of any other class of shares or any class of Preferred Shares of any particular series.

(iii) Restriction on Dividends

No dividends or distributions of any kind whatsoever shall be declared or made in respect of any of the shares of the Corporation which would be contrary to any applicable law or which would have the effect of reducing the net assets, including goodwill, of the Corporation to an amount insufficient to enable the redemption by the Corporation, at the aggregate of the Redemption Amounts, of the issued and outstanding Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series.

(c) Redemption Amount on Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series

(i) Formula for Calculation of Redemption Amount

If Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series are issued in exchange for property or issued shares of the Corporation, then the Redemption Amount for each Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series shall be equal to the fair market value of the property or issued shares of the Corporation of a different class (the "Assets") for which Class "G", Class "H", Class

"I" Shares or any class of Preferred Shares of any particular series, as the case may be, were issued by the Corporation (the "Asset Value") less the aggregate value of any non-share consideration given or assumed by the Corporation as partial consideration for the assets (the "Non-Share Value") divided by the respective number of Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series. If Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series are issued as a stock dividend, then the directors shall determine the Redemption Amount at the time that the stock dividend is declared.

(ii) Fair Market Value Adjustment

Notwithstanding the provisions of the foregoing paragraph 1(c)(i) hereof, if the Minister of National Revenue, the Minister of Finance for the Province of Alberta, their authorized representative or any similar authority shall assess or reassess the Corporation or its shareholders for income tax (or propose such an assessment or reassessment) on the basis of a determination or assumption that:

- A. the fair market value of the Assets received in respect of the issuance of any particular Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series does not equal the Asset Value; or
- B. the Non-Share Value should have been a greater or lesser amount than the amount determined upon issuance of such Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series;  
  
then the Asset Value shall be adjusted (the "Adjusted Asset Value") and/or the Non-Share Value shall be adjusted (the "Adjusted Non-Share Value"), as the case may be, and shall be deemed to be:
- C. subject to subparagraph E hereof, the fair market value of the Assets or Non-Share Value as determined by the authority making or proposing such an assessment or reassessment, provided that the directors agree that such determination is accurate; or
- D. subject to subparagraph E hereof, where the directors do not agree that the authority's determination is accurate, the fair market value of the Assets or the Non-Share Value as determined by a qualified person whom the directors shall appoint to make that determination forthwith following the making or proposing of such an assessment or reassessment; or
- E. where any such assessment or reassessment is the subject of an appeal to a Court of competent jurisdiction, the fair market value of the Assets or



Non-Share Value as determined by that Court.

(iii) Adjustment of Redemption Amount

In the event of a determination of an Adjusted Asset Value or an Adjusted Non-Share Value, as the case may be, then the Redemption Amount payable for each Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series issued in exchange for the Assets shall be adjusted by the directors and shall be equal to the Adjusted Asset Value (or if there has been no adjustment, the Asset Value) less the Adjusted Non-Share Value (or if there has been no adjustment, the Non-Share Value) divided by the total number of Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series issued in exchange for the Assets. If any non-share consideration shall have been given, any Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series shall have been redeemed, or any dividends shall have been declared thereon prior to the Redemption Amount thereof being adjusted as aforesaid, any resulting over-payment by the Corporation shall be a debt due on demand to the Corporation from the holder of such Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series and any resulting underpayment shall be a debt due on demand from the Corporation to the holder of such Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series.

(d) Procedure

Subject to the provisions of the Business Corporations Act (Alberta), the Corporation may, upon giving notice as hereinafter provided, redeem the whole or any part of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series on payment for each Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series to be redeemed of the Redemption Amount thereof, together with all dividends declared thereon and unpaid. If at any time only part of the then outstanding Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series is to be redeemed, the redemption shall be pro rata from the Class "G", Class "H", Class "I" and Preferred Shares of any particular series Shareholders, as the case may be, provided that the directors may make such adjustments as shall be necessary to avoid the redemption of fractional parts of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series. Unless waived by the registered holder of the shares to be redeemed, the Corporation shall give not less than thirty (30) days notice to the registered holder of each Class "G", Class "H", Class "I" Share or any class of Preferred Shares of any particular series to be

redeemed, specifying the date and place or places of redemption. If notice of any such redemption be given by the Corporation in the manner aforesaid and an amount sufficient to redeem such shares be deposited with any trust company or chartered bank in Canada as specified in the notice on or before the date fixed for redemption, dividends on the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against the Corporation in respect thereof, except, upon the surrender of certificates for such Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series, to receive payment therefore out of the monies so deposited. Upon the amount sufficient to redeem such Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series being deposited with any trust company or chartered bank in Canada as aforesaid, notice shall be given to the holders of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series called for redemption who have failed to present the certificates representing such Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series within two (2) months of the date specified for redemption, to the effect that the monies have been so deposited and may be obtained by the holders of the said Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series upon presentation of the certificates representing such Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series for redemption at the said trust company or chartered bank in Canada. If any part of the total monies so deposited has not been paid to or to the order of the respective holders of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series which were called for redemption within two (2) years after the date upon which such deposit was made or the date specified for redemption in the said notice, whichever is later, such balance of monies remaining in the account shall be returned to the Corporation without prejudice to the rights of the holders of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series being redeemed to claim the monies so deposited without interest from the Corporation.

(e) Retractable

Each holder of a Class "G", Class "H", Class "I" Share or any class of Preferred Shares of any particular series has the right, exercisable by depositing the holder's share certificate with the Corporation at its registered office, to require the Corporation to redeem such Class "G", Class "H", Class "I" Share or any class of Preferred Shares of any particular series within thirty (30) days after the date the certificate is

deposited, for an amount equal to one hundred (100%) per cent of the Redemption Amount of the Class "G", Class "H", Class "I" Share or any class of Preferred Shares of any particular series so deposited, together with all dividends declared thereon and unpaid. The Corporation will not be obligated to redeem any Class "G", Class "H", Class "I" Share or any class of Preferred Shares of any particular series pursuant to this provision if and so long as such redemption would be contrary to any applicable law.

(f) Liquidation

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary:

- (i) firstly, the holders of the Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series shall rank equally amongst themselves and shall be entitled to receive, in respect of each Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series held, before distribution of any part of the assets of the Corporation amongst the holders of shares of any other class in the capital of the Corporation, an amount equal to one hundred (100%) percent of the Redemption Amount of such Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series and any dividends declared thereon and unpaid and no more. In the event that less than one hundred (100%) per cent of the amount necessary for redemption of each Class "G", Class "H", Class "I" Share or any Preferred Share of any particular series is available for distribution to the holders of the Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series, then the holders of such shares shall be entitled to participate in such distribution in equal proportions, having regard to the respective Redemption Amounts, of the Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series and the amounts of the dividends declared thereon and unpaid;
- (ii) thereafter the holders of the Class "A", Class "B", Class "C", Class "D", Class "E" and Class "F" Shares shall be entitled to participate equally amongst themselves in respect of each Class "A", Class "B", Class "C", Class "D", Class "E" or Class "F" Share held in any further distribution of the assets of the Corporation.

(g) Stated Capital

The directors shall add to the appropriate stated capital accounts being maintained for each of the Class "A", Class "B", Class "C", Class "D", Class "E" and Class "F" Shares

the full amount of any consideration the Corporation receives for any such Shares issued.

In accordance with the provisions of subsection 28(3) of the Business Corporations Act, on the issuance of any Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series in exchange for property other than a promissory note or promise to pay, or issued shares of the Corporation of a different class or series, or pursuant to an amalgamation referred to in section 187 of the Business Corporations Act or an arrangement referred to in section 193(1)(b) or (c) of the Business Corporations Act, the directors may add to the appropriate stated capital accounts maintained for the said Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series the whole or any part of the consideration received by the Corporation in the exchange. If Class "G", Class "H", Class "I" Shares or any class of Preferred Shares of any particular series are issued as a stock dividend, the directors may add to the appropriate stated capital account for the said Class "G", Class "H", Class "I" Shares and any class of Preferred Shares of any particular series the whole or any part of the amount of the stock dividend.

(h) Issuance in Series

The directors may at any time and from time to time:

- (i) issue Class "G" Shares in one or more series, each series to consist of an unlimited number of shares having the same rights, privileges, restrictions and conditions as the Class "G" Shares. Each such series of shares shall be designated consecutively commencing at Class "G" Series I Preferred Non-Voting Shares;
- (ii) issue Class "H" Shares in one or more series, each series to consist of an unlimited number of shares having the same rights, privileges, restrictions and conditions as the Class "H" Shares. Each such series of shares shall be designated consecutively commencing at Class "H" Series I Preferred Non-Voting Shares;
- (iii) issue Class "I" Shares in one or more series, each series to consist of an unlimited number of shares having the same rights, privileges, restrictions and conditions as the Class "I" Shares. Each such series of shares shall be designated consecutively commencing at Class "I" Series I Preferred Non-Voting Shares.

SCHEDULE "B"

RESTRICTIONS ON SHARE TRANSFERS

1. No shares of the Corporation shall be transferred without either:
  - (a) the consent of the directors evidenced by a resolution passed by the directors and recorded in the books of the Corporation; or
  - (b) the written consent of the holders of a majority in number of the outstanding issued voting shares of the Corporation.

## SCHEDULE "C"

### OTHER RULES OR PROVISIONS

#### Restrictions as to Shareholdings

1. The number of shareholders of the Corporation, exclusive of:
  - (a) persons who are in its employment and are shareholders of the Corporation, and
  - (b) persons who having been formerly in the employment of the Corporation were while in that employment shareholders of the Corporation and have continued to be shareholders of the Corporation and have continued after termination of that employment,

is limited to not more than 50 persons, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

2. Any invitation to the public to subscribe for its securities is prohibited.

#### Appointment of Additional Directors

3. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting but the number of additional directors shall not at any time exceed one third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

#### Lien on Shares

4. The Corporation shall have a lien on every share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation.

#### Fractional Shares

5. A holder of a fractional share shall be entitled to vote that fraction of a share and to receive dividends in respect of such fractional share.

#### General Borrowing Powers

6. In accordance with the Business Corporations Act (Alberta), the directors of the Corporation may without authorization of the shareholders:
  - (a) borrow money on the credit of the Corporation,
  - (b) issue, reissue, sell or pledge debt obligations of the Corporation,
  - (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation,

- (d) subject to the Business Corporations Act (Alberta), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person.
- 7. The directors may, by resolution, delegate the powers referred to in section 6. to a director, a committee of directors or an officer.
- 8. Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

#### Solicitors Authorization

- 9. The solicitors for the Corporation, as its agents, are authorized to, without further action or authorization from the Corporation, its Directors, or Officers, as the case may be, execute and file with Alberta Corporate Registry or any other similar entity, whether in or outside of the Province of Alberta, any and all documents contemplated by the Business Corporations Act or any other applicable legislation or regulation, including but not limited to, a Notice of Change of Address.



March 28, 2022

To Whom It May Concern:

**Subject:** Business Number Issued

Thank you for completing your business/organization registration with the Alberta Corporate Registry. All newly registered Alberta business/organizations are automatically issued a Business Number (BN) by the Canada Revenue Agency (CRA).

Legal Name: MCC FOR SMOKY LAKE DEVELOPMENT CORP.

Alberta Corporate Access Number: 2024193308

Business Number: 736624404

If your business/organization is a corporation a CRA corporation income tax program account has also been created. The corporate income tax program account number is your BN with the suffix RC0001. For example: 123456789 RC0001.

For more information about Corporation Income Tax and other CRA federal program accounts (for example, GST/HST, payroll deductions, and import/export) please visit the following CRA website (<https://www.canada.ca/en/revenue-agency.html>).

The BN will simplify interactions with government, providing one easy method of identification. Federal and Provincial government programs may ask for your BN as part of service delivery. Using this common business identifier can save you time resolving identity issues and help you receive faster service. It can also minimize occurrences of mistaken identity.

You may use either the Corporate Access Number, Registration Number, or BN when submitting updates to the Alberta Corporate Registry.

Alberta Corporate Registry  
Government of Alberta



**UNANIMOUS SHAREHOLDER AGREEMENT**

**BETWEEN**

**SMOKY LAKE COUNTY  
TOWN OF SMOKY LAKE**

**AND**

**MCC FOR SMOKY LAKE DEVELOPMENT CORP.**

**UNANIMOUS SHAREHOLDER AGREEMENT**  
(the “USA”)

**THIS AGREEMENT** made effective the 28<sup>th</sup> day of March, 2022

**AMONG:**

**SMOKY LAKE COUNTY**  
(hereinafter collectively referred to as the “**County**”)

**OF THE FIRST PART**

**AND:**

**TOWN OF SMOKY LAKE**  
(hereinafter collectively referred to as the “**Town**”)

**OF THE SECOND PART**

**AND:**

**MCC FOR SMOKY LAKE DEVELOPMENT CORP.**  
a body corporate duly incorporated pursuant to the laws of the Province of  
Alberta,  
(hereinafter referred to as the “**Corporation**”)

**OF THE THIRD PART**

**WHEREAS:**

- A.** The parties wish to enter into this Agreement for the purpose of defining and qualifying their respective rights and obligations to each other and the terms and conditions under which they will carry on their activities under the corporate structure of the Corporation;
- B.** Each Shareholder shall have 100 Class A Common Voting Shares issued to each of them;
- C.** The MGA requires all municipalities who acquire shares in a corporation incorporated pursuant to the Act to enter into a unanimous shareholder agreement which addresses those matters as set forth both in the MGA and in the Regulation, namely that the USA must address the following matters:
  - (a)** The matters referred to in section 146(1) of the Act;
  - (b)** The Corporation’s service delivery standards and decision-making structure;
  - (c)** A dispute resolution process in the event of a dispute between shareholders; and
  - (d)** The method by which the shareholders must provide direction to the corporation with respect to what action, if any, the controlled corporation is to take regarding a proposed Material Change in response to one or more report received under Section 7(5) of the Regulation.
- D.** The parties wish to enter into this Agreement for the purpose of defining and qualifying their respective rights and obligations to each other and the terms and conditions under which they will carry on their activities under the corporate structure of the Corporation;

- 
- E. The parties intend that this Agreement shall operate and be construed as a Unanimous Shareholder Agreement under the Act.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of these premises and of the mutual covenants, agreements and conditions herein contained the parties hereby agree and declare as follows:

## **ARTICLE 1 - DEFINITIONS AND INTERPRETATION**

### **1.01 Definitions**

For the purposes of this Agreement and the Schedules hereto or any certificate, opinion or other document agreement, undertaking or assurance delivered in accordance with or in furtherance of the purposes and intent of this Agreement, unless there is something in the context inconsistent therewith, the following words and phrases will have the following meanings:

- (a) "**Accountants**" means the auditors or accounting advisors of the Corporation, as the case may be;
- (b) "**Act**" means the Business Corporations Act, R.S.A. 2000, and all regulations thereunder as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the Act shall be read as referring to such amended or substituted provisions;
- (c) "**Advances**" means all outstanding loans due and owing from time to time by the Corporation to a Shareholder;
- (d) "**Agreement**" means this Agreement as may be amended from time to time in accordance with the terms hereof, and the expressions "**herein**", "**hereof**", "**hereto**", "**above**", "**below**" and similar expressions if used in any sub-paragraph, paragraph, sub-section, Section or Article of this Agreement refer and relate back to the whole of this Agreement and not to that sub-paragraph, paragraph, sub-section, Section or Article only, unless otherwise expressly provided;
- (e) "**Appoint**" includes "**elect**" and vice versa;
- (f) "**Articles**" means the Articles of Incorporation of the Corporation filed on the 28<sup>th</sup> day of March, 2022 as from time to time amended or restated;
- (g) "**Board**" means the Board of Directors of the Corporation;
- (h) "**Business**" means the ownership of the Shareholders' respective interest in tourism development within the municipal boundaries and beyond of each Shareholder, tentatively called the "Victoria District Economic Development Strategy";
- (i) "**Business Day**" means every day except Saturday, Sunday and a statutory holiday effective in the Province of Alberta;
- (j) "**Bylaws**" means any Bylaws of the Corporation as may be amended from time to time and in force and effect;

- 
- (k) **"Closing Article"** means Article 10 hereof;
- (l) **"Control"** (including **"Controls"** and **"Controlled"**) means:
- (i) the right to exercise the majority of the votes which may be cast at a general meeting of a corporation, when held, together with,
  - (ii) the right to elect or appoint directly or indirectly a majority of the directors of the corporation or other persons who have the right to manage or supervise the management of the affairs and business of that corporation;
- (m) **"Defaulting Event"** means any one or more of the following:
- (i) the petitioning into bankruptcy of any Shareholder or the making of any assignment by a Shareholder for the benefit of his/her creditors;
  - (ii) the seizure and attachment of a Shareholder's Shares for the payment of any judgment or order;
  - (iii) the failure by a Shareholder to obtain, perform or carry out any of his/her obligations hereunder or under the any other agreement amongst the Shareholders where such failure continues for thirty (30) days after notice in writing from the other Shareholders or any one of them demanding that such default be cured;
  - (iv) the failure by any Shareholder to take reasonable action to prevent or defend any action or proceedings whereby any of his/her Shareholder's Interest is seized or, if there be an execution or attachment thereof, where such failure continues for thirty (30) days after the other Shareholders, or any of them, has demanded in writing that such Shareholder take such reasonable action and such Shareholder fails to take any such action or proceedings;
  - (v) the bankruptcy or commission of an act of bankruptcy by a Shareholder or the appointment of a receiver or receiver-manager in respect of the Shareholder's Shares;
- (n) **"Defaulting Shareholder"** means the Shareholder in respect of whom a Defaulting Event has occurred;
- (o) **"Director(s)"** means the person(s) who is/are from time to time, in accordance with the terms of this Agreement, duly elected director(s) of the Corporation;
- (p) **"Effective Date"** means the date of incorporation of the Corporation;
- (q) **"Financial Statements"** means those statements of the financial operation of the Corporation, including monthly statements of the Corporation's revenues and expenses, as they are kept by the Corporation, and which comply with generally accepted accounting principles;
- (r) **"Guarantee"** means any agreement by way of guarantee given or to be given, as the case may be, by one or more of the Shareholders for the repayment of any indebtedness of the Corporation or for the performance by the Corporation of any of its other obligations;

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- (s) "**Material Change**" has that meaning as ascribed thereto in the Regulation;
  - (t) "**MGA**" means the *Municipal Government Act*, RSA 2000, c.M-26 and all regulations thereunder as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the MGA shall be read as referring to such amended or substituted provisions;
  - (u) "**Non-Defaulting Shareholder(s)**" means any Shareholder who is not at the particular time a Defaulting Shareholder or any Shareholder that is not the principal subject of any provision contained in this Agreement, as the context may require;
  - (v) "**Officer(s)**" means any officer(s) of the Corporation;
  - (w) "**Ordinary Resolution**" has the meaning as ascribed thereto in the Act;
  - (x) "**Parties**" means the initial parties to this Agreement and includes any person who may hereafter execute a counterpart of this Agreement upon becoming a Shareholder and "**Party**" means any one of them;
  - (y) "**Prime Rate**" means the percentage rate of interest per annum which is established and charged from time to time by the Corporation's bankers on loans to its most creditworthy and preferred commercial borrowers. A statement or statements in writing made by the Manager of the said Bank's main branch, in Smoky Lake, Alberta, as to the Prime Rate, from time to time, shall be final and conclusive evidence of the Prime Rate during the operative time of the statement and shall not be open to dispute or challenge by the Parties. Any change in the Prime Rate shall be effective on the banking day upon which the said Bank changes its Prime Rate, and such rate of interest shall be changed automatically without notice to the Parties;
  - (z) "**Regulation**" means the *Municipally Controlled Corporations Regulation*, AR 112/2018;
  - (aa) "**Shareholder**" means any person who is the holder of Shares and "**Shareholders**" mean all of them;
  - (bb) "**Shareholder's Interest**" means all right, title and interest of a Shareholder in and to any Shares, any Advances and any other right or claim a Shareholder may have against the Corporation as a Shareholder;
  - (cc) "**Share(s)**" means at all relevant times an issued Share or issued Shares, as the case may be, of the Corporation;
  - (dd) "**Special Resolution**" has the meaning as ascribed thereto in the Act; and
  - (ee) "**Third Party**" means any person who:
    - (i) is not a Shareholder or an affiliate of a Shareholder, or a shareholder, director or officer of any of them; or
    - (ii) does not deal with any of the Shareholders on a non-arm's length basis as that term is defined under the *Income Tax Act* (Canada).

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**1.02 Derivative Meanings**

All derivatives of any of the definitions set forth in Section 1.01 hereof shall have the meanings appropriate to the derivation of such definition.

**1.03 Words that Reference Defined Terms in Legislation**

Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them respectively in the Act.

**1.04 Schedules to this Agreement**

The following Schedules are attached to this Agreement and shall form part hereof:

- (a) Schedule “A” – Dispute Resolution Mechanism.

**1.05 Effect of Unanimous Shareholder Agreement**

This Agreement shall operate and be construed as a Unanimous Shareholder Agreement under the Act provided that if for whatever reason this Agreement is determined not to be a Unanimous Shareholder Agreement under the Act, the terms and provisions hereof shall be binding upon the Parties. Should a conflict exist between this Agreement and the Corporation’s Articles or Bylaws, this Agreement shall govern and, if necessary, each Shareholder shall vote his/her or its Shares so that the Corporation’s Articles or Bylaws are amended to be consistent with this Agreement.

**1.06 Disclosure Requirement and Prohibition on Voting**

Each and every Shareholder, Director and Officer of the Corporation shall, at all relevant times during the currency of this Agreement, disclose in writing to the Corporation the nature and extent of his/her interest in any material contract or proposed material contract with the Corporation. Further, any affected Shareholder or Director shall not participate in any vote of Shareholders or Directors in relation to the subject material contract or proposed material contract.

**ARTICLE 2 - REPRESENTATIONS, WARRANTIES AND COVENANTS**

**2.01 Shareholder Representations, Warranties and Covenants**

Each Shareholder hereby represents and warrants to the other Shareholders and the Corporation, and acknowledges and confirms that the other Shareholders and the Corporation are relying on such representations and warranties, that:

- (a) it is a municipal corporation duly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) it is duly registered and qualified to carry on business and has and will continue to have all requisite authority, licences and permits to carry on the Business;
- (c) it has the capacity and corporate authority to act as a Shareholder; and
- (d) it has received the necessary consents as required by the MGA to be a Shareholder.

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## **2.02 Number and Class of Shares Issued to Each Shareholder**

Each of the Shareholders represents and warrants to each of the other Shareholders and the Corporation, and acknowledges and confirms that the other Shareholders and the Corporation are relying on such representations and warranties, that such Shareholder is the registered and beneficial owner of that number and class of Shares that are opposite its name in Paragraph C of the Preamble hereof and that such Shares are held free and clear and are not subject to any charges, security interests, pledges or encumbrances of any kind.

## **2.03 No Other Shares to Shareholder**

The Corporation represents and warrants to the Shareholders and acknowledges and confirms that the Shareholders are relying on such representations and warranties that:

- (a) the Shares listed in Paragraph C of the Preamble hereof are the only issued and outstanding Shares; and
- (b) except as provided in this Agreement, no person has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any the unissued shares of the Corporation or any securities convertible into Shares.

## **ARTICLE 3 - GOVERNANCE OF THE CORPORATION**

### **3.01 Appointment of Directors**

- (a) Each Shareholder shall be entitled to appoint two (2) directors each to the Board of the Corporation.
  - (b) A person shall immediately cease to be a Director:
    - (i) upon giving his/her resignation in writing to the Board;
    - (ii) upon his/her death;
    - (iii) upon ceasing to be a Director; or
    - (iv) upon failing to attend or participate in three (3) consecutive meetings of the Board of which he had notice unless the **Chief Executive Officer or Chief Information Officer** has specifically excused the Director from attendance.
- Board Chair
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### **3.02 Vacancies on Board of Directors**

The vacancies on the Board shall be filled as stated in Section 3.01(a) and in so doing the Shareholders shall act in accordance with the provisions of Section 3.01(a).

### **3.03 Board Positions**

All appointments of the Board position shall be done in accordance with the Bylaws.

### **3.04 Directors Voting/Quorum**

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Except as otherwise required by law or by this Agreement, questions arising at any meeting of the Directors shall be decided by a majority of votes. Each Director shall have and exercise one vote only. A quorum of Directors shall be two (2) Directors with at least one (1) Director from each Shareholder.

**3.05 Casting Vote**

In the case of an equality of votes at a meeting of the Board or of the Shareholders, no person shall have a second or casting vote in addition to his/her original vote.

**3.06 Officers**

The Parties confirm that as the Officers shall be as appointed by the Board.

**3.07 Removal**

No Director or Officer may be removed from such position except in accordance with the terms of this Agreement or as stated in the Bylaws. If there is a discrepancy between this Agreement and the Bylaws pertaining to the removal of Directors or Officers, this Agreement shall govern.

**3.08 Financial Reporting to the Shareholders**

The Corporation shall keep the Financial Statements and will provide them to the Shareholder, as required by any Policy that is implemented or as otherwise directed by the Shareholders, as evidenced by an Ordinary Resolution from time to time. For further clarity, a template report may be developed by either the Corporation or the Directors, in which case, the Corporation's financial reporting shall be in this format.

**3.09 Shareholders Quorum**

- (a) A quorum of Shareholders is present at a meeting of Shareholders, irrespective of the number of persons actually present at the meeting, if the holder or holders of a majority of the Shares entitled to vote at the meeting are present in person or represented by proxy.
- (b) If a quorum is present at the opening of a meeting of Shareholders, the Shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.
- (c) If a quorum is not present at the opening of a meeting of Shareholders, the Shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

**ARTICLE 4 - CORPORATION OPERATIONAL MATTERS**

**4.01 Conduct**

Unless otherwise authorized at a meeting of the Shareholders by a Special Resolution, the Shareholders shall not cause or permit the Corporation and the Board shall not authorize the Corporation to:

- (a) **Operational Matters:**
  - (i) sell, lease or exchange all or substantially all of the property of the Corporation



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other than in the ordinary course of business;

- (ii) be continued as a body corporate under the laws of another jurisdiction;
- (iii) carry on any business or activity other than the Business;
- (iv) enter into any contract outside of the Corporation's ordinary course of business;

(b) **Corporate Matters:**

- (i) amalgamate or merge with any other corporation;
- (ii) issuance of Shares of any class, the transfer of Shares of any class, increase or decrease the authorized or issued capital of the Corporation, or alteration of the Corporation's Share structure and/or Articles in any way;
- (iii) issue stock options;
- (iv) redeem or purchase any of its own Shares otherwise than allowed by the terms of this Agreement;
- (v) reorganize;
- (vi) purchase shares or securities in any other corporation, firm or entity;

(c) **Financial Matters:**

- (i) Provide any grants or financial assistance to any entity, including, but not limited to, the proposed The Smoky Lake Tourism Company Ltd. or any derivation thereof which will be further involved in the Business;
- (ii) pass or approve of any financial plan or development plan for future business opportunities for the Corporation;
- (iii) give financial assistance to any person;
- (iv) declare or pay dividends including stock dividends;
- (v) make a general assignment for the benefit of creditors;
- (vi) make a voluntary assignment to a trustee in bankruptcy;
- (vii) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;
- (viii) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation;

(d) **Governance Matters:**

- (i) take or institute any proceedings for the winding up, reorganization or dissolution of the Corporation;
- (ii) register to carry on business in other jurisdictions;
- (iii) amend, repeal, or enact any Bylaws other than those already in place;
- (iv) except as otherwise set forth herein, enter into any contract with a Shareholder or affiliate of any Shareholder;
- (v) enter into any partnerships or joint ventures.

#### **4.02 Material Change**

- (a) Notwithstanding anything contained herein to the contrary, if a Material Change to the Corporation is proposed, the Corporation shall not and the Board shall not cause the Corporation to implement this Material Change without compliance with both Section 75.3 of the MGA and Section 7 of the Regulation first, which shall include:
  - (i) For clarity, a Material Change as per Section 7(1) of the Regulation means:
    - (A) a change in the type of services offered by the Corporation;
    - (B) the purchase, sale, transfer or issuance of any Shares in the Corporation that would result in a change to the controlling interest of the Shareholders;
    - (C) a change in the geographic locations where the Corporation offers services, if that change was not contemplated in the business plan under section 75.1(3)(a) of the MGA; or
    - (D) a change in the business, financing, operations or affairs of the Corporation that would be considered important by a reasonable person taking into account the circumstances of the Corporation in its entirety.
  - (ii) Each Shareholder that is obligated to notify its residents of each Shareholder of the proposed Material Change to the Corporation, which includes notifications of the following:
    - (A) The new services the Corporation intends to provide in the proposed Material Change;
    - (B) The names of any new shareholder of the Corporation;
    - (C) The geographic location in and outside Alberta in which the Corporation intends to provide services;
    - (D) A projected rate structure, if any;
    - (E) The market impact analysis, if any, of the proposed change;

- (i) This information must be made available to residents not less than 30 days prior to this engagement process;
- (ii) Each Shareholder's residents being provided the opportunity to make representations to the municipal council of each Shareholder concerning the proposed Material Changes.
- (b) Each Shareholder shall provide a report to the Corporation summarizing the representations made during this engagement process of the proposed Material Change.
- (c) After each Shareholder's receipt of public input, each Shareholder shall provide direction to the Corporation of any direction regarding the proposed Material Change
- (d) Only after there has been compliance with Section 75.3 of the MGA, shall the Corporation be entitled to implement any proposed Material Change.

## **ARTICLE 5 - COMPLIANCE WITH MGA AND REGULATION**

### **5.01 Compliance with MGA**

The Corporation and the Shareholders agree and acknowledge that the Corporation is a “controlled corporation” within the meaning of the MGA and the Regulation and accordingly this Agreement must address the following matters:

- (a) Addressing Section 146(1) of the Act – Section 4.01 of this Agreement addresses this obligation;
- (b) Corporation's Service Delivery Standards and Decision-Making Structure – The Corporation's service delivery standard shall be determined by the Board;
- (c) Dispute Resolution Process Between Shareholders – This is set forth in Schedule “A” hereof; and
- (d) Material Change to the Corporation – Prior to any Material Change to the Corporation being implement, the procedure in Section 3.02 of this USA shall be first followed.

## **ARTICLE 6 - FINANCIAL OBLIGATIONS TO CORPORATION**

### **6.01 Shareholder's Guarantees and Indemnity of Corporation's Indebtedness**

- (a) Unless otherwise authorized by a Special Resolution, no Shareholder shall be obliged to enter into any Guarantee with respect to the indebtedness of the Corporation or to pledge its credit on behalf of the Corporation.
- (b) Notwithstanding the foregoing, if any Shareholder executes a joint and several Guarantee with the authorization contemplated in Section 6.01(a) herein, the Shareholders acknowledge and agree that each of them shall be liable on account of any such indebtedness only pro rata according to the ratio of the number of Shares held by each Shareholder to all of the issued Shares. Each Shareholder specifically reserves for itself a right of action against any or all of the other Shareholders to pay their respective pro rata contributions if any of the Shareholders is called upon to satisfy any demand of any bank or

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other lending institution pursuant to such Guarantee in excess of the actual pro rata amount of a Shareholder's liability.

- (c) If, during the continuance of this Agreement, a Shareholder is called upon under the terms of any Guarantee (which Shareholder in this Article is hereinafter referred to as the “**Contributing Shareholder**”), the other Shareholder shall forthwith contribute to the Contributing Shareholder upon it or him having made the payment required under the Guarantee, an amount equal to its proportionate share of the call based upon the ownership of the Shares by the Shareholders at the date the payment is required to be made pursuant to the Guarantee.
- (d) Upon receiving a call under the terms of any Guarantee the Contributing Shareholder shall forthwith give notice to the other Shareholders of the said call advising them of the details thereof and its intended response and requiring the other Shareholders to contribute their respective proportionate shares. If the other Shareholders fail to make the required respective contributions in accordance with the terms of the notice, the Contributing Shareholder shall, upon payment, have a lien against the Shares of the other Shareholders as required by the notice and the other Shareholders covenant and agree to pay to the Contributing Shareholder the required contribution forthwith upon demand together with interest thereon at a rate equal to the Prime Rate at the time the contribution was made, plus five (5%) percent per annum.
- (e) If, during the continuance of this Agreement, the Guarantee of a Shareholder is required and such Shareholder executes such Guarantee, then the other Shareholders and the Corporation shall indemnify and save harmless such Shareholder for any amount that it or he may be required to pay as demanded or claimed from it together with any costs or expenses incurred in excess of the proportion which the Shareholder would have been obligated to contribute pursuant to the terms of this Agreement.
- (f) The provisions hereof shall not merge with the termination of this Agreement but shall survive for the benefit of those persons claiming contribution and indemnity as aforesaid.

#### **6.02 Distribution of Corporation’s Funds to Shareholders**

Except when precluded or otherwise prohibited by the terms of any debt financing and to the extent permitted by law, and after making such provisions and transfers to reserves as may be required in the opinion of the majority of the Board to meet expenses or anticipated expenses, the funds of the Corporation available for distribution shall be distributed annually firstly, by repayment of bank indebtedness, secondly, by way of repayment of Advances on a pro rata basis and thirdly, by way of dividends and/or Shareholders bonuses authorized by Special Resolution.

#### **6.03 Subordination of Shareholder’s Loans to Corporation’s Third Party Indebtedness**

The Shareholders shall subordinate and postpone all Advances in favour of permanent financing or other borrowing by the Corporation to the extent required by the Board.

#### **6.04 Capital Contributions to Corporation by Each Shareholder**

- (a) If authorized by a Special Resolution, the Shareholders shall decide that funds are required for purposes of the Corporation, the Corporation may make a written request to the Shareholders for a loan to be made pro rata in proportion to their respective shareholdings

in the Corporation.

- (b) Each Shareholder shall advance the monies so requested within thirty (30) days of receipt of the written request for the loan, as set forth in Section 6.04(a).
- (c) Unless otherwise authorized or consented to by the Shareholders as aforesaid, no Advances shall bear interest and no Shareholder, so long as it remains a Shareholder, shall demand repayment of any Advances except:
  - (i) if the Corporation goes into liquidation, either voluntarily or pursuant to the Order of a Court of competent jurisdiction, or is declared bankrupt;
  - (ii) if a special arrangement has been made at the time the Advance was made;
  - (iii) if the enforcement thereof is to become statute barred and the Corporation fails to acknowledge in writing that the Advance is owing prior to the date the same would become statute barred;
  - (iv) as otherwise expressly provided for in this Agreement.
- (d) If the Corporation repays Advances, in whole or in part, it shall, subject to any express agreement between the Shareholders to the contrary, do so pro rata in proportion to each Shareholder's Advances. Subject to the foregoing, the Corporation may prepay Advances at any time or times without notice or bonus.

**6.05 Corporation's Bank Accounts and Signing Authorities**

- (a) All monies received on account of the Corporation's operations from time to time shall be immediately paid into the bank for the time being of the Corporation and all disbursements in respect of the Corporation's expenditures shall be paid by cheque on such bank or such alternate method of disbursement, such as preauthorized debit or electronic funds transfers.
- (b) Subject always to Section 4.01 of this Agreement, in the usual and regular course of business, any two of:
  - (i) either the Chairperson of the Board or the Vice-Chairperson of the Board; and
  - (ii) either one of two (2) people that are designated by the Board from time to time, or as otherwise contained in a Policy appointing signing authorities;

are authorized to pledge the credit of the Corporation and are also authorized to make, sign, draw, accept, negotiate, endorse, execute and deliver all or any cheques, promissory notes, drafts, acceptances, bill of exchange, orders for the payment of money, and other instruments in the name of the Corporation.

- (c) Except as otherwise set forth herein, no Shareholder, Director, or Officer shall, without the authorization contained within a Directors' resolution or the minutes of a Directors' meeting, sign, draw, accept, endorse, execute, and deliver all or any cheques, promissory notes, drafts, acceptances, bills of exchange, orders for the payment of money, or other instruments, whether negotiable or not, in the name of the Corporation or in any matter pledge the credit of the Corporation except in the usual and regular course of business.

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## **ARTICLE 7 - SHARES**

### **7.01 Restriction on Issuance of New Shares**

The Parties agree that no additional Shares in the Corporation shall be allotted without a Special Resolution.

### **7.02 Restriction on Shareholder Encumbering its Own Shares**

The Shareholders shall not in any manner or degree whatsoever pledge, charge, mortgage, hypothecate or otherwise encumber their Shares or Advances without authorization by Ordinary Resolution except where such pledge, charge, mortgage or hypothecation is specifically provided for herein.

### **7.03 Restriction on Transfer of Shareholder Transferring its Own Shares**

The Shareholders will not sell, transfer, convey or assign all or any portion of the Shares or Advances except as permitted by this Agreement or as authorized by a Special Resolution. Any sale, transfer, conveyance or assignment of all or any portion of the Shares and/or Advance of a Shareholder contrary to the provisions of this Section 7.03 is null and void.

### **7.04 Permitted Transferee of Shares Obligation to Sign Agreement**

Subject to the provisions of hereof, no sale, transfer, conveyance or assignment of a Shareholder's Interest in the Corporation shall be effective unless and until the permitted transferee first agrees to be bound by the terms of this Agreement in the place and stead of the Shareholder who sold, transferred, conveyed or assigned such Shareholder's Interest.

### **7.05 Warning to be Placed on Share Certificates**

The Parties agree that the certificates for all Shares shall be endorsed with reference to this Agreement as follows:

"The rights of the holder and successors to the holder to sell, encumber, alienate or realize the Shares represented hereby are restricted by the terms of an Agreement between the Shareholders of the Corporation and the Corporation dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, a copy of which Agreement is on the minute book of the Corporation."

### **7.06 Subdivision of Shares**

The provisions of this Agreement relating to Shares shall apply *mutatis mutandis* to any shares or securities into which such Shares may be converted, changed, reclassified, redivided, redesignated, redeemed, subdivided or consolidated, to any Shares or securities that are received by the Shareholders as a stock dividend or distribution payable in Shares or securities of the Corporation and to any shares or securities of the Corporation or of any successor or continuing company or corporation to the Corporation that may be received by the Shareholders on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

## **ARTICLE 8 - DEFAULTING EVENT**

### **8.01 Remedies to Non-Defaulting Shareholders**

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Upon the occurrence of a Defaulting Event, the Non-Defaulting Shareholders may do any one or more of the following:

- (a) pursue any remedy available to them in law or in equity, it being acknowledged that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default;
- (b) take such actions in their own names or in the name of the Defaulting Shareholder or the Corporation, as may reasonably be required, to cure the default, in which event all payments, costs and expenses incurred therefor shall be payable by the Defaulting Shareholder to the Non-Defaulting Shareholders on demand with interest as provided for in Section 11.01 hereof;
- (c) implement the buy/sell option as set out in Section 8.02 hereof; or
- (d) waive the default provided, however, that any waiver of a particular default shall not operate as a waiver of any subsequent or continuing default.

#### **8.02 Buy/Sell Option Against Defaulting Shareholder**

Upon the occurrence of a Defaulting Event, the Non-Defaulting Shareholders shall, without the necessity of further notice or action, have the option (hereinafter in this Article referred to as the "**Option**") to require the Defaulting Shareholder to sell to the Non-Defaulting Shareholders all, but not less than all, of its Shares on the following terms and conditions:

- (a) the Non-Defaulting Shareholders, or any of them, may at any time within one hundred and eighty (180) days after the date that the last of them was actually informed and became aware of the Defaulting Event, by written notice to the Defaulting Shareholder, exercise the option to purchase the Defaulting Shareholder's Shares;
- (b) each Non-Defaulting Shareholder shall be entitled to purchase that percentage of the Defaulting Shareholder's Shares represented by the proportion which the number of Shares held by the particular Non-Defaulting Shareholder is of the sum of the all Shares held by all Non-Defaulting Shareholders, unless the Non-Defaulting Shareholders unanimously agree in writing that the percentages purchased by each Non-Defaulting Shareholder shall be otherwise; provided however, that the aggregate of the percentages of the Defaulting Shareholder's Shares that the Non-Defaulting Shareholders may purchase shall be one hundred (100%) percent thereof;
- (c) the total purchase price payable for the Defaulting Shareholder's Shares shall be an amount equal to the Fair Market Value of such Shares, less twenty-five (25%) percent. The purchase price payable by each Non-Defaulting Shareholder shall be payable pro rata based upon the number of Shares being purchased pursuant to the terms of this Section 8.02; and
- (d) the closing date for the purchase and sale of the Defaulting Shareholder's Shares shall be the sixtieth (60th) day after exercise of the Option to purchase the Defaulting Shareholder's Shares by the last of the Non-Defaulting Shareholders to do so. The provisions of the Closing Article and Section 9.04 shall apply *mutatis mutandis* to the Closing of such purchase and sale.

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### **8.03 Loan Default**

In addition to any other rights of the Non-Defaulting Shareholders herein provided for, if the Defaulting Shareholder defaults by refusing or failing to make a contribution by way of loan as provided for in Section 6.04 hereof, then any Non-Defaulting Shareholder(s) may make such contribution to the Corporation (hereinafter in this Article referred to as the "**Funding Shareholder**") and, if so, is hereby irrevocably authorized by the Defaulting Shareholder to make such contribution by way of loan (hereinafter in this Article referred to as the "**Default Loan**") on behalf of and for the account of the Defaulting Shareholder, in which event the Defaulting Shareholder shall pay or cause to be paid to such Funding Shareholder:

- (a) the amount of the Default Loan; and
- (b) the reasonable costs of the Funding Shareholder relating to obtaining monies to make the Default Loan; and
- (c) interest on the amount of the Default Loan outstanding from time to time calculated and payable monthly on the first day of each and every calendar month at a rate equal to the Prime Rate at the time the Default Loan is made plus six (6%) per cent per annum.

### **8.04 Payment of Dividends to Funding Shareholder as Payment in Kind**

The Parties agree that so long as any portion of the Default Loan is outstanding or the Funding Shareholder's reasonable costs or interest on the Default Loan remains outstanding, all dividends or other compensation payable by the Corporation to the Defaulting Shareholder shall be paid directly by the Corporation to the Funding Shareholder and such payment by the Corporation shall constitute and be deemed a valid payment to the Defaulting Shareholder to the extent of the payment to the Funding Shareholder. For the purpose aforesaid, the Defaulting Shareholder hereby irrevocably directs the Corporation to pay all such dividends or other compensation directly to the Funding Shareholder until the full balance of the Default Loan, together with the costs and interest thereon due to the Funding Shareholder has been paid in full.

## **ARTICLE 9 - VALUATION**

### **9.01 Failure to Determine Value**

- (a) The determination of the Fair Market Value of the Shares may be referred by any Shareholder or Director to the Valuators (as this term is defined in Section 9.02 hereof). The Valuator shall thereupon determine the Fair Market Value of the Shares as set forth in Section 9.02.
- (b) In the event the Accountants are required to determine the Fair Market Value of the Shares or any of them as provided for in this Agreement and the Valuators refuse or are unable to determine such value, any Party may apply to the Court for the appointment of a person to determine the Fair Market Value in the place of the Valuators.

### **9.02 Determination of Fair Market Value**

Subject to Section 9.01 hereof, the Fair Market Value shall be determined as follows:

- (a) the valuator (the "**Valuator**") for the purposes of determining the Fair Market Value, shall be the Corporation's auditors or accounting advisors;



- (b) the Valuator shall act reasonably and bona fide in making its determination hereunder. All Shareholders and the Corporation shall promptly comply with any requests for information and documentation that the Valuator shall reasonably requires;
- (c) the Valuator shall employ such agents and appraisers as it deems appropriate;
- (d) the Valuator's decision shall be final and conclusive as against all Shareholders and the Corporation; and
- (e) in the event of a dispute, the costs of the valuation shall be borne in equal proportions by the Corporation and any Shareholder which requested the valuation.

### **9.03 Determination of Value by Valuators**

In determining the Fair Market Value of the Shares, the Accountants shall act as experts, not as arbitrators.

### **9.04 Payment of Purchase Price**

Any portion of the purchase price unpaid on closing by a purchasing party pursuant to the provisions of Article 9, shall be evidenced by a promissory note in form and content acceptable to the solicitors for the selling party, acting reasonably, provided that, such promissory note shall include the following terms, namely interest shall accrue on the purchase price at a rate equal to the then prime rate of the Prime Rate calculated and compounded annually from the closing date.

## **ARTICLE 10 - CLOSING OF SHARE TRANSACTIONS**

### **10.01 Location of Closing**

The closing of any purchase and sale of a Shareholder's Interest hereunder shall take place at the offices of Messrs. Brownlee LLP, 2200, Commerce Place, 10155 – 102 Street, T5J 4G8, or at such other place as the Parties may agree upon in writing.

### **10.02 Parties' Actions upon Closing**

On the closing date, the selling party shall provide to the purchasing party all documents and conveyances necessary to complete the sale of Shares contemplated herein and all documents necessary to divest the selling party of its interest, all said documents and conveyances to be provided against payment of the purchase price for the Shares in accordance with the terms of this Agreement. If the purchasing party is not in default and on the closing date the selling party shall neglect or refuse to complete the transaction, the purchasing party, upon such default and upon payment by it of the purchase price to the credit of the selling party at the bank of the Corporation or with the solicitor for the Corporation, shall have the right to complete the transaction as aforesaid for and on behalf of and in the name of the selling party and the selling party hereby irrevocably constitutes and appoints the purchasing party the true and lawful attorney of the selling party to complete the said transaction and to execute any and all documents necessary in that behalf. If the selling party is not in default and at the time of closing the purchasing party shall neglect or refuse to complete the transaction the selling party shall have the right, upon such default (without prejudice to any other rights which he may have), to terminate the agreement of purchase and sale and to deal with its Shares as he sees fit.

### **10.03 Release of Guarantees**

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Upon the closing of any purchase and sale of Shares pursuant to this Agreement, in the event the selling party is contingently liable by way of indemnity or guarantee or otherwise for any of the obligations or liabilities of the Corporation, then in such event the purchasing party shall provide indemnities to the selling party in form and context reasonably acceptable to such person(s), where necessary, against such obligations or liabilities and shall use their best efforts to attempt to obtain releases from such contingent obligations or liabilities.

**10.04 Repayment of Shareholder's Advances Upon Closing**

If there are Advances in favour of the selling party, then in such event, in addition to the purchase price as determined in accordance with the terms of this Agreement, the purchasing party shall pay to the selling party the amount of such Advances as at the closing date and the selling party shall assign to the purchasing party the Advances and any evidence of indebtedness therefor from the Corporation. In the event the selling party is indebted to the Corporation for any sum of money as at the closing date, the purchasing party shall deduct an amount equal to the indebtedness of the selling party to the Corporation from the purchase price payable to the selling party and shall pay said sum directly to the Corporation to extinguish the debt of the selling party to the Corporation.

**10.05 Compensation**

The Parties agree that so long as any instalment of the purchase price payable by any purchasing party for Shares remains payable to the selling party all dividends and other compensation payable by the Corporation to such purchasing party with respect to the Shares so purchased shall be paid directly by the Corporation to the selling party and such payment by the Corporation shall constitute and be deemed a valid payment of dividends or other compensation to the particular purchasing party to the extent of the payment so made to the selling party. For the purpose aforesaid, the Shareholders hereby irrevocably direct the Corporation to pay all such dividends or other compensation directly to the selling party until the full balance of the purchase price together with the interest thereon due to the selling party has been paid. Any such payment shall be deemed a prepayment with respect to the balance evidenced by any promissory note and shall not affect the purchasing party's obligation to make monthly payments based on the original amortization, it being intended that the deemed prepayment effected by this Section apply to the last instalments of the purchase price due to the selling party.

**10.06 Failure to Complete Sale**

If any Shareholder fails to complete any sale of such Shareholder's Shares required to be completed by such Shareholder under the terms of this Agreement through no fault of the purchasing Shareholder, upon payment of all moneys required to be paid relating to such sale by the purchasing Shareholder to the solicitors of the Corporation and upon the said solicitors being satisfied of the performance or ability to perform such other matters as are required to be performed by the purchasing Shareholder, the following shall take effect forthwith:

- (a) such defaulting Shareholder's rights, if any, attaching to any Shares cease; and
- (b) the right to appoint director(s) as a member of one of three zones enumerated in Article 3 hereof ceases;

and such defaulting Shareholder hereby irrevocably appoints the Corporation as his/her lawful attorney, and such appointment shall be coupled with an interest, for the purpose of giving effect to the terms relating to such sale including without limitation the transfer of any Shares owned by such defaulting Shareholder which are required to be transferred in accordance with the terms of such sale.

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**ARTICLE 11 - GENERAL PROVISIONS**

**11.01 Interest**

If any Shareholder is required by this Agreement to pay monies to any of the other Shareholders, such monies shall bear interest at the Prime Rate plus three (3%) percent per annum calculated monthly until repayment, unless a different rate of interest is expressly provided for herein.

**11.02 Further Assurances**

The Parties and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

**11.03 Singular, Plural and Gender**

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one Party.

**11.04 Assignment of Agreement**

This Agreement shall not be assignable by any of the Parties except as a direct result of disposition of a Party's interest in accordance with the terms hereof and then subject to the provisions of Section 4.05 hereof.

**11.05 Notices**

Whether or not so stipulated herein, all notices, communication, requests and statements (the “**Notice**”) required or permitted hereunder shall be in writing.

Any Notice required or permitted hereunder shall be sent to the intended recipient at its address as follows:

- (a) to the Shareholders:

Smoky Lake County  
\_\_\_\_\_  
Smoky Lake, Alberta  
Email: \_\_\_\_\_  
Fax: (780) \_\_\_\_\_

Town of Smoky Lake  
\_\_\_\_\_  
Smoky Lake, Alberta  
Email: \_\_\_\_\_  
Fax: (780) \_\_\_\_\_

- (b) to the Corporation:

\_\_\_\_\_

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Smoky Lake, Alberta  
Email: \_\_\_\_\_  
Fax: (780) \_\_\_\_\_

or to such other address as each Party may from time to time direct in writing.

Notice shall be served by one of the following means:

- (c) by delivering it to the Party on whom it is to be served. Notice delivered in this manner shall be deemed received when actually delivered to such Party;
- (d) if delivered to a corporate party, by delivering it to the address specified in (c) during normal business hours. Notice delivered in this manner shall be deemed received when actually delivered;
- (e) by fax or email to the Party on whom it is to be served. Notice delivered in this manner shall be deemed received on the earlier of:
  - (i) if transmitted before 3:00 p.m. on a Business Day, on that Business Day; or
  - (ii) if transmitted after 3:00 p.m. on a Business Day, on the next Business Day after the date of transmission; or
- (f) by mailing via first class registered post, postage prepaid, to the party to whom it is served. Notice so served shall be deemed to be received five (5) days after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

#### **11.06 Entire Agreement**

The Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements among the Parties in connection with the subject matter hereof except as specifically set forth herein.

#### **11.07 Payment of Monies**

The Parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the Party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

#### **11.08 Unenforceable Terms**

If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

#### **11.09 Amendments**

This Agreement may only be altered or amended in any of its provisions when any such changes are reduced to writing and signed by the Parties provided however that it shall not be necessary to make a Party to such Amending Agreement any Shareholder who ceased to be a member of the Corporation and who has been fully repaid any monies owing by the Corporation.

#### **11.10 Remedies Not Exclusive**

No remedy herein conferred upon any Party is intended to be exclusive of any other remedy available to that Party but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.

#### **11.11 Preamble and Schedules**

The Parties hereby confirm and ratify the matters contained and referred to in the preamble to this Agreement and agree that same and the various Schedules hereto are expressly incorporated into and form part of this Agreement.

#### **11.12 No Waiver**

No consent or waiver, express or implied, by any Party to or of any breach or default by any Party in the performance by such other Party of his/her obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Party. Failure on the part of any Party to complain of any act or failure to act of another party or to declare such other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of his/her rights hereunder.

#### **11.13 Counterparts**

This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date of this Agreement.

#### **11.14 Division**

The division of this Agreement into Articles, Sections, paragraphs or sub-paragraphs forms no part of this Agreement and shall be deemed to have been inserted and done for convenience.

#### **11.15 Headings**

The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

#### **11.16 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Alberta.

**11.17 Time**

Time shall be of the essence of this Agreement.

**11.18 Survival**

The provisions of this Agreement which by their respective context are meant to survive closing of a purchase or sale and/or termination of this Agreement shall respectively survive such closing or termination, as the case may be, for the benefit of the Party or Parties relying thereon and shall not be merged therein or therewith.

**11.19 Business Day**

In any case where time limited by this Agreement expires on a day that is not a Business Day, the time shall be extended to and shall include the next succeeding Business Day.

**11.20 Statutory Reference**

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

**11.21 Non-Merger**

Unless subsequently agreed in writing, the provisions of this Agreement shall not merge on but shall survive execution of supplementary documents and otherwise howsoever.

**11.22 Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto, their heirs, executors, administrators, successors and permitted assigns.

**11.23 Dispute Resolution**

Except where otherwise provided herein, any dispute which may arise between the Parties hereto shall be determined in accordance with the provisions of the dispute resolution procedure attached as Schedule "A".

**IN WITNESS WHEREOF** the corporate parties have hereunto executed this Agreement by the hands of their duly authorized officers in that behalf and the individual parties have set their hands and seals effective the day and year first above written notwithstanding the actual date or dates of execution hereof.

**SMOKY LAKE COUNTY**

**SMOKY LAKE COUNTY**

Per:

Per:

\_\_\_\_\_

\_\_\_\_\_

Per:

Per:

\_\_\_\_\_

\_\_\_\_\_

**MCC FOR SMOKY LAKE DEVELOPMENT  
CORP.**

Per:

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Per:

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## SCHEDULE "A"

### DISPUTE RESOLUTION PROCEDURE

1. **Definitions** - In this Schedule, the following words and phrases have the following meanings:
  - (a) **“Arbitrator”** means the person appointed to act as such to resolve any Dispute;
  - (b) **“Arbitration”** means a process whereby each of the Parties, with or without legal counsel, agrees to jointly engage and meet with an Arbitrator who will render a binding decision in respect of any Disputes;
  - (c) **“Dispute”** means any disagreement or controversy between the Parties concerning any matter arising out of this Agreement;
  - (d) **“Disclosed Information”** means the information disclosed by a Party for the purpose of settlement, negotiation, Mediation or Arbitration;
  - (e) **“Mediation”** means a process whereby a Representative of each Party, with or without legal counsel, agrees to jointly engage the services and meet with a Mediator to participate in a mediation, conciliation or similar dispute resolution process;
  - (f) **“Mediator”** means the person appointed to facilitate the resolution of a Dispute between the Parties;
  - (g) **“Party”** means a party to the Agreement to which this Dispute Resolution Procedure is attached, and **“Parties”** means more than one of them; and
  - (h) **“Representative”** means an individual who has no direct operational responsibility for the matters comprising the Dispute who holds a senior position with a Party and who has full authority to settle a Dispute.
  
2. **Dispute Process** - In the event of any Dispute, the Parties agree that prior to commencing litigation, they shall undertake a process to promote the resolution of a Dispute in the following order:
  - (a) first, by negotiation;
  - (b) second, by way of Mediation; and
  - (c) third, by arbitration, if mutually agreed to in writing at the time of the Dispute, by the Parties.

Negotiation, Mediation or Arbitration shall refer to, take into account, and apply the intentions and principles stated by the parties within Agreement to which this Schedule is attached.

3. **Negotiation** - A Party shall give written notice (**“Dispute Notice”**) to the other Party of a Dispute and outline in reasonable detail the relevant information concerning the Dispute. Within seven (7) days following receipt of the Dispute Notice, the Parties shall each appoint a Representative, who shall meet and attempt to resolve the Dispute through discussion and negotiation. If the Dispute is not resolved within thirty (30) days of receipt of the Dispute Notice, the negotiation shall be deemed to have failed.



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**4. Mediation** - If the Representatives cannot resolve the Dispute within such thirty (30) day period, then the Dispute shall be referred to Mediation. Any one of the Parties shall provide the other Party with written notice (“**Mediation Notice**”) specifying the subject matters remaining in Dispute, and the details of the matters in Dispute that are to be mediated. If the Mediation is not completed within sixty (60) days from the date of receipt of the Dispute Notice, the Dispute shall be deemed to have terminated and failed to be resolved by Mediation.

**5. Arbitration**

- (a) If the Mediation fails to resolve the Dispute and if both Parties so agree in writing, at the time of the dispute, the Dispute shall be submitted to binding Arbitration. One of the Parties may provide the other Party with written notice (“**Arbitration Notice**”) specifying the subject matters remaining in Dispute and the details of the matters in Dispute that are to be arbitrated. If the other Party agrees to proceed to Arbitration, such Dispute shall proceed to Arbitration. A failure to respond to the Arbitration Notice shall be deemed to constitute a refusal to proceed with Arbitration;
- (b) The Arbitrator shall conduct the Arbitration in accordance with the commercial arbitration rules (the “**Rules**”) established from time to time by the ADR Institute of Canada Inc., unless the Parties agree to modify the same pursuant to any arbitration agreement. The *Arbitration Act* (Alberta) shall apply to all Arbitrations but if there is a conflict between the Rules and the provisions of the Act, the Rules shall prevail. Notwithstanding the foregoing, any such Arbitration shall be conducted in the English language;
- (c) The Arbitrator shall proceed to hear and render a written decision concerning any Dispute within:
  - (i) forty-five (45) days, if the subject matter of the Dispute is less than \$50,000.00; or
  - (ii) one hundred and twenty (120) days, if the subject matter of the Dispute is greater than \$50,000.00.
- (d) The Arbitrator has the right to award solicitor-client costs against the unsuccessful Party and to award interest but does not have the right to award punitive, consequential or other exemplary damages.
- (e) The Arbitrator’s decision is final and binding but is subject to appeal or review by any court of proper jurisdiction only with respect to an allegation of fraud.

**6. Participation** - The Parties and their Representatives will participate in good faith in the negotiation, Mediation and, if applicable, Arbitration processes and provide such assistance and Disclosed Information as may be reasonably necessary and notwithstanding that litigation may have commenced as contemplated in this Schedule.

**7. Location** - The place for Mediation and Arbitration shall be as the Parties may agree upon or as the Mediator or the Arbitrator may direct in the event that the Parties cannot agree.

**8. Selection of Mediator and Arbitrator** - If the Parties are unable to agree upon the appointment of a single Mediator or Arbitrator within ten (10) days after receipt of the Mediation Notice or Arbitration Notice, either of the Parties may request that a single Mediator or Arbitrator, as the case may be, of suitable

training, experience and independence, and who in respect of the subject matter of the Dispute has a reasonable practical understanding, be appointed by the executive director or other individual fulfilling that role for the ADR Institute of Canada, Inc. The executive director shall be requested to make this determination within five (5) days of receipt of the request.

**9. Costs** - Subject to clause 5(d) of this Schedule in the case of an Arbitration, the Parties shall bear their respective costs incurred in connection with the negotiation, Mediation and, if applicable, Arbitration except that the Parties shall equally share the fees and expenses of the Mediator and Arbitrator and the cost of the facilities required for Mediation and Arbitration.

**10. Disclosed Information** - All Disclosed Information shall be treated as confidential and neither its delivery nor disclosure shall represent any waiver of privilege by a Party disclosing such Disclosed Information. Subject only to the rules of discovery, each Party agrees not to disclose the Disclosed Information to any other Person or for any other purpose. Such Disclosed Information cannot be used in any subsequent proceedings without the consent of the Party who has made the disclosure. The Parties agree that any Representative, Mediator and, if applicable, Arbitrator shall not be subpoenaed or otherwise compelled as a witness in any proceedings for the purpose of testifying with respect to the nature or substance of any dispute resolution process that may arise in relation to any matter that is a subject of this Agreement. Nothing in this dispute resolution procedure shall require a Party to disclose information that is subject to confidentiality provisions with third parties.

**11. Confidentiality** - The Parties agree that there is a real risk that substantial damage to a Party's commercial interests may result if Disclosed Information or Confidential Information is obtained by third parties because a Dispute becomes the subject matter of litigation. The Parties agree not to contest or oppose, directly or indirectly, an application by a Party to the court, that the court's file relating to such litigation, including this Agreement and supporting financial information, be sealed upon commencement of the litigation.

MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(THE "CORPORATION")

BYLAW No. 1

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**MCC FOR SMOKY LAKE DEVELOPMENT CORP.**  
**(THE “CORPORATION”)**

**BYLAW NO. 1**

A bylaw relating generally to the transaction of the business and affairs of the Corporation.

**BE IT ENACTED** as a bylaw of the Corporation as follows:

**SECTION 1 - INTERPRETATION**

**1.01 Definitions**

In these and other bylaws of the Corporation, unless the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act* of the Province of Alberta, and any statute that may be substituted therefor, as from time to time amended;
- (b) “**appoint**” includes “elect” and vice versa;
- (c) “**Articles**” mean the articles of incorporation of the Corporation and any amendments thereto that may have been made from time to time, as filed with the corporate registrar;
- (d) “**Board**” means the board of the Directors of the Corporation, acting in accordance with the Act, the Articles, these Bylaws, and the USA;
- (e) “**Bylaws**” means this bylaw and all other bylaws of the Corporation from time to time in force and effect;
- (f) “**Committee**” means any committee of the Board that is struck from time to time;
- (g) “**Corporation**” means the corporation which has adopted these Bylaws and to which the same apply;
- (h) “**Director**” means a person appointed as a director of the Corporation, as contemplated within the Articles, these Bylaws and the Act, and “**Directors**” means two (2) or more of them;
- (i) “**Director’s Family**” means a Director’s Spouse or adult interdependent partner, the Director’s children, the parents of the Director and the parents of the Director’s Spouse or adult interdependent partner;
- (j) “**Distributing Corporation**” has the meaning given to it within the *Business Corporations Act*;
- (k) “**Municipalities**” mean all of Smoky Lake County and the Town of Smoky Lake and “**Municipality**” means any of them;
- (l) “**Officer**” means a person appointed as an officer of the Corporation, as contemplated within the Articles, these Bylaws and the Act, and “**Officers**” means two (2) or more of them;
- (m) “**Shareholder**” means a shareholder of the Corporation;
- (n) “**Spouse**” means the husband or wife of a married person but does not include a spouse who is living separate and apart from the person if the person and spouse have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order.

- (o) “**Telecommunication**” means any means or mode of electronic communication at a meeting that permits each participant to hear all other participants and to be heard by all participants;
- (p) “**Third Party Corporation**” has the same meaning as ascribed to the term “corporation” in the *Business Corporations Act*; and
- (q) “**USA**” means that Unanimous Shareholder Agreement amongst the Shareholder(s) of the Corporation, as it is amended from time to time.

### **1.02 Use Of Descriptor Words**

Words and expressions defined in the Act have the same meanings when used in the Bylaws. Words importing the singular number include the plural and vice versa; words importing gender include masculine, feminine and neuter genders. Without limiting the generality of the foregoing, a reference to the Board shall include a sole Director when the Corporation has only a sole Director.

### **1.03 Bylaws Subject to the Act**

The Bylaws are subject to the provisions of the Act, unless the Act otherwise specifically provides.

### **1.04 Conflict Between Bylaws and USA**

The Bylaws are subject always to the provisions of the Articles and the USA and in the event of conflict between the provisions of any Bylaws and provisions of the Articles and/or the USA, the provisions of the Articles and/or the USA shall prevail.

### **1.05 Effect Of Headings**

The headings used in this bylaw are inserted for convenience of reference only and do not affect the interpretation of this bylaw or any part hereof.

### **1.06 Effective Date**

The Bylaws shall come into force when enacted by the Board in accordance with the Act.

## **SECTION 2 - BOARD OF DIRECTORS**

### **2.01 Board of Directors**

Subject to the USA, the Directors shall manage or supervise the management of the business and affairs of the Corporation.

### **2.02 Composition of Board of Directors**

The Board of Directors shall be appointed in accordance with the USA..

### **2.03 Duty of Care of Board of Directors**

- (a) Subject to the USA, the Act and at law generally, every Director in exercising the Director’s powers and discharging the Director’s duties 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.

- (b) Every Director shall comply with this Act, the regulations, the Articles, these bylaws and the USA.

### **SECTION 3 - BOARD POSITIONS**

#### **3.01 Election of Chairperson**

- (a) The Board shall elect, from amongst their number the following positions:
- (i) the Chairperson of the Board; and
  - (ii) the Vice-Chairperson of the Board;
- plus any other positions on the Board, that the Board determines is necessary at the first regular meeting of the Board of each calendar year.
- (b) The Board may exercise respectively such powers and authority and shall perform such duties, in addition to those specified in these Bylaws, as may from time to time be prescribed by the Board.
- (c) The Board, in their discretion, may remove any person elected in Section 3.01, with or without cause, at any time. Notwithstanding the removal of any Director from the position in Section 3.01, this removal does not remove the Director as being a Director on the Board.
- (d) Each person appointed by the Board in this Section 3.01 shall hold office until:
- (i) a successor is appointed by the Board;
  - (ii) his/her resignation; or
  - (iii) his/her removal by the Board.
- whichever first occurs.
- (e) For clarity, the people elected pursuant to this Section 3.01 are not Officers, but remain Directors.

#### **3.02 Chairperson of the Board**

Without limiting anything contained in this Bylaw, the Chairperson of the Board shall:

- (a) preside over each regular meeting, special meeting and the annual meeting of the Board and of the Shareholders, and in doing so be the chairperson of such meetings;
- (b) vote on all matters before the Board;
- (c) be an ex-officio member of all Committees of the Corporation. Notwithstanding the membership ex-officio of any Committee:
  - (i) the Chairperson of the Board shall not have any voting rights at any Committee meeting unless the Chairperson of the Board is appointed by the Board to be a member of the Committee; and
  - (ii) the Chairperson of the Board shall not be a chairperson of the Committee unless the members of the Committee agree that the Chairperson of the Board shall be the chairperson of the Committee; and
- (d) either:

- (i) attend at all meetings of the Board and Committees of the Board for the purposes of being the recording secretary of the meeting; or
  - (ii) otherwise ensure that a recording secretary is present at such meetings;
- and shall therefore enter or cause to be entered in records kept for that purpose, minutes of all proceedings at such meetings;
- (e) to the extent not delegated to the Chief Administrative Officer or another officer as designated by the Board;
    - (i) attend and be the secretary at all meetings of the Shareholder(s), and shall enter or cause to be entered in records kept for that purpose, minutes of all proceedings at such meetings;
    - (ii) be the custodian of the corporate seal, if any, of the Corporation and shall have charge of all books, papers, reports, certificates, records, documents, registers and instruments belonging to the Corporation;
    - (iii) be responsible for registering or filing of, or causing to be registered or filed, all reports, certificates and all of the documents required by law to be registered or filed by the Corporation;
    - (iv) keep or cause to be kept proper accounting records in compliance with the Act and shall be responsible for the deposit of monies and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or other depositories as the Board may from time to time designate;
    - (v) shall be responsible for the disbursement of the funds of the Corporation; and
    - (vi) render to the Board, whenever so directed, an account of all financial transactions and of the financial position of the Corporation;
  - (f) exercise such other powers and authority and shall perform such other duties as may from time to time be prescribed by the Board.

### **3.03 Vice-Chairperson of the Board**

The Vice-Chairperson of the Board shall:

- (a) have the powers of the Chairperson of the Board, in the absence or inability of the Chairperson of the Board to discharge its duties;
- (b) exercise such other powers and authority and shall perform such other duties as may from time to time be prescribed by the Board.

## **SECTION 4 - BOARD MEETINGS**

### **4.01 Frequency and Number of Board of Directors**

The Board, by resolution, may establish the date and number of regular meetings of the Board held during a calendar year, however, there shall be not less than one (1) regular meeting per year.

### **4.02 Calling of Director Meetings**

The Chairperson of the Board:

- (a) may call a meeting of the Board at the discretion of the Chairperson of the Board; and



- (b) shall call a meeting upon receipt of written request by at least two (2) Directors. Upon receipt of a written request as stated, the Chairperson of the Board shall call this meeting within no less than forty five (45) days of receipt of this request, or sooner should the circumstances reasonably require this.

#### **4.03 Notice of Director Meeting**

Notice of the time and place of every Board meeting shall be given to each Director personally, by telephone, by facsimile transmission, or by electronic mail with a read receipt notifying the sender that the email has been read, not less than forty-eight (48) hours before the time fixed for the holding of such Board meeting, provided that any Board meeting may be held at any time and place without such notice if:

- (a) all the Directors are present thereat and signify their waiver of such notice at such meeting; or
- (b) all the Directors present thereat signify their waiver of such notice and all the Directors that are absent have signified their consent to the meeting being held in their absence.

A notice of a meeting of the Board must specify the purpose or the business to be transacted at the meeting.

#### **4.04 Quorum for Meeting**

A quorum of Directors shall be constituted when all of the below conditions are satisfied:

- (a) a simple majority of the Board attends;
- (b) at least one (1) Director from each Municipality attends.

#### **4.05 Voting on Matters**

- (a) Subject to both Section 4.09 of the Bylaws and anything contained to the contrary in the USA, all matters put to the Board shall be decided by a majority vote. For clarity, any matter that is subject a tie vote shall be defeated.
- (b) At every Board meeting every question shall be decided in the first instance by a show of hands, unless before or upon the declaration of the result by the show of hands, a poll is demanded by at least one (1) Director.
- (c) If a poll is demanded in the manner above mentioned, it shall be taken forthwith without adjournment and the result of such poll shall be deemed to be the resolution of the Board at which the poll was demanded. The recording secretary of the Board meeting shall cause to be entered into the minutes of the Board meeting, how each Director voted with respect to the matter that was voted on by such poll.
- (d) Subject to a poll vote in Section 4.05(c), a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost, shall be conclusive and an entry to that effect in the book of proceedings of the Board shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favor of, or against such resolution.

#### **4.06 Casting Vote**

Subject to the USA, in the case of an equality of votes at a meeting of the Board, no person shall have a second or casting vote in addition to his/her original vote.

#### **4.07 Agenda for Director Meetings**

The Chairperson of the Board shall establish the agenda for any meeting of the Board. The attendees of a meeting of either the Board shall adopt the agenda at the beginning of the meeting and may, upon agreement of a majority of those Directors present at the meeting, add or delete items from the agenda.

#### **4.08 Participation via Telecommunication**

A Director may participate in a meeting of the Board or of a Committee of Directors by Telecommunication and a Director participating in a meeting by those means is deemed to be present at the meeting.

#### **4.09 Meetings to be Held in Public**

A meeting of the Shareholders of the Corporation may be held in the absence of the public only if the subject-matter being considered in the absence of the public concerns something that would be ordinarily excluded pursuant to the terms of the *Freedom of Information and Protection of Privacy* which includes, but is not limited to the following:

- (a) the security of the property of the Corporation;
- (b) personal information of an individual, including an employee of a Corporation;
- (c) a proposed or pending acquisition or disposition of property by or for a Corporation;
- (d) labour relations or employee negotiations; or
- (e) a law enforcement matter, litigation or potential litigation, including matters before administrative tribunals affecting the Corporation;

and no other subject-matter is considered in the absence of the public, subject to Section 4.10 of these Bylaws.

#### **4.10 Written Resolution in Lieu of a Meeting**

Section 117 of the Act permits a written resolution of the Board in lieu of holding a meeting. Section 18 of the *Freedom of Information and Protection of Privacy Regulation*, A.R. 186/2008 provides an exception for the need to hold meetings in public if another statute dictates that such meetings need not be held in public.

Accordingly, a resolution or resolutions signed by all of the Directors, as such, without meeting together, whether embodied in the form of minutes of a meeting of Directors or not, shall be valid and effectual as if passed at a meeting of the Board duly called and constituted and shall be entered into the minute book of the Corporation accordingly, and may relate back to any date therein stated to be the effective date thereof. A Director may signify his/her assent to such resolution or resolutions in writing or by means of Telecommunication with respect to which a written record is made.

### **SECTION 5 - BOARD COMMITTEES**

#### **5.01 Committees of Directors**

Unless otherwise ordered by the Board, each Committee of Directors shall have power to fix its quorum at not less than a majority of its members, to elect its chairperson of each Committee and to regulate its own procedures.

The terms of reference for the foregoing Committees shall be established by each Committee and ratified by the Board, from time to time and as needed.

#### **5.02 Membership of Committees**

Without limiting anything in these Bylaws, the Chairperson of the Board shall be a member ex-officio of all Committees. Notwithstanding that the Chairperson of the Board shall be a member ex officio of all Committees:

- (a) the Chairperson of the Board shall not have voting rights at any Committee meeting unless the Chairperson of the Board is appointed to a Committee as a member of the Committee; and
- (b) the Chairperson of the Board shall not be a chairperson of the Committee unless the members of the Committee agree that the Chairperson of the Board shall be the chairperson of the Committee.

### **5.03 Committee Advisories**

Subject always to the provisions of the USA and the directives of the Board, any Committee may seek out and utilize people who are not directors to attend meetings of the Committee and provide an advisory function for the Committee and its members. For clarification, and without restricting the foregoing, such individual(s) shall not be deemed or implied to be members of the Committee by virtue of such attendance, and shall not vote upon any business or affairs of the particular Committee.

## **SECTION 6 - BOARD MATTERS (ADMINISTRATIVE)**

### **6.01 Minutes**

- (a) The Board shall cause all minutes of the meeting of the Board or a written resolution thereof to be entered into the minute book of the Corporation within thirty (30) days of the formal adoption of the minutes of the meeting or written resolution. The minutes of each meeting of the Board shall be approved at the next meeting of the Board, where reasonably possible.
- (b) The Board shall prepare and circulate amongst the Board for review and consideration, draft minutes of the most recent meeting of the Board within thirty (30) days after said meeting.

### **6.02 Corporate Seal**

The Board may adopt and change a corporate seal which shall contain the name of the Corporation and the Board may cause to be created as many duplicates thereof as the Board shall, from time to time, determine.

### **6.03 Execution of Documents**

Subject always to the restrictions or requirements of the USA:

- (a) the Board by resolution may from time to time direct the manner in which, and the person or persons, by whom, any particular instrument or class of instruments or documents may or shall be signed;
- (b) in the absence of a Board resolution, but subject always to the USA, any particular instrument or class of instruments must be signed on behalf of the Corporation by:
  - (i) any one Director; and
  - (ii) together with either the Chief Administrative Officer or his/her designate;or if the Corporation is authorized to have and has only one Director, then by any such person acting alone.
- (c) subject to the execution of the instrument by the representative(s) of the Corporation duly authorized under the Act, the USA and these Bylaws, any Director or Officer may affix the corporate seal to any instrument requiring the same.

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**SECTION 7 - OFFICERS****7.01 Appointment of Officer Positions**

The Board shall appoint the Chief Administrative Officer and such other officer that the Board desires, from time to time.

**7.02 Powers and Duties of Chief Administrative Officer**

The Chief Administrative Officer shall:

- (a) be president, chief operating officer and chief administrative officer of the Corporation and subject to the authorities of the Board shall have supervision of the business and affairs of the Corporation and shall have such other additional powers and duties as the Board may specify from time to time;
- (b) to the extent which duties are not accepted by the Chairperson of the Board and are delegated to the Chief Administrative Officer, either:
  - (i) attend at all meetings of the Board and Committees of the Board for the purposes of being the recording secretary of the meeting; or
  - (ii) otherwise ensure that a recording secretary is present at such meetings;and shall therefore enter or cause to be entered in records kept for that purpose, minutes of all proceedings at such meetings;
- (c) to the extent which duties are not accepted by the Chairperson of the Board and are delegated to the Chief Administrative Officer, either:
  - (i) attend and be the secretary at all meetings of the Shareholder(s) for the purposes of being the recording secretary of the meeting and shall enter or cause to be entered in records kept for that purpose, minutes of all proceedings at such meetings;
  - (ii) be the custodian of the corporate seal, if any, of the Corporation and shall have charge of all books, papers, reports, certificates, records, documents, registers and instruments belonging to the Corporation;
  - (iii) be responsible for registering or filing of, or causing to be registered or filed, all reports, certificates and all of the documents required by law to be registered or filed by the Corporation;
  - (iv) keep or cause to be kept, proper accounting records in compliance with the Act and shall be responsible for the deposit of monies and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or other depositories as the Board may from time to time designate;
  - (v) shall be responsible for the disbursement of the funds of the Corporation; and
  - (vi) render to the Board, whenever so directed, an account of all financial transactions and of the financial position of the Corporation;
- (d) give or cause to be given as and when instructed, all notice to Shareholder(s), the Board, Officers, Auditors and members of Committees of the Board;
- (e) provide operational reports or other statements as to the affairs of the Board, as the Board may require from time to time;

- (f) certify any documents of the Corporation except when some other Officer or agent has been appointed for any such purpose;
- (g) ensure that the policies and programs of the Corporation are implemented;
- (h) advise and inform the Board on the operations and affairs of the Corporation; and
- (i) carry out any lawful direction of the Board from time to time.

### **7.03 Removal and Discharge of Officers**

The Board, in its discretion, may remove any Officer, with or without cause, at any time, unless the resolution or contract providing for the appointment of such Officer stipulates otherwise. Each Officer appointed by the Board shall hold office until a successor is appointed, or until his/her earlier resignation or removal by the Board.

### **7.04 Term of Office**

Each Officer appointed in these Bylaws shall hold office until:

- (a) a successor is appointed by the Board;
- (b) his/her resignation; or
- (c) his/her removal by the Board,

whichever first occurs.

## **SECTION 8 - SHAREHOLDER MEETINGS**

### **8.01 Meeting**

An annual meeting of the Shareholder(s) shall be called by the Chairperson of the Board, which shall be held no later than April 30 of each year. In no case shall an annual Shareholder meeting be called later than fifteen (15) months from the last preceding annual Shareholder(s) meeting.

### **8.02 Notice of Meeting**

Written notice of the annual Shareholder meeting shall be provided to the Shareholder(s) by mail postmarked, facsimile transmission or electronic mail with a read receipt not less than twenty one (21) days prior to the date of the annual Shareholder meeting.

### **8.03 Agenda for Shareholder Meetings**

The Chairperson of the Board shall establish the agenda for any meeting of the Shareholder(s). The attendees of a meeting of the Shareholder(s) shall adopt the agenda at the beginning of the meeting and may, upon agreement of a majority of those Shareholder(s) present at the meeting, add or delete items from the agenda.

### **8.04 Calling of Special Shareholder Meetings**

The Chairperson of the Board shall call a special meeting of the Shareholder(s) upon receipt of a request from no less than five (5%) percent of the issued shares of the Corporation.

**8.05 Shareholder Quorum**

- (a) A quorum is present irrespective of the number of persons actually present at the meeting, if the holder or holders of no less than 2/3rds of all the issued Shares entitled to vote at the meeting are present in person or represented by proxy.
- (b) If a quorum is present at the opening of a meeting of shareholders the Shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.
- (c) If a quorum is not present at the opening of a meeting of the Shareholders, the Shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

**8.06 Telecommunication/Virtual Meetings**

Any representative of a Shareholder(s) or any other person entitled to attend a meeting of Shareholder(s) may participate in the meeting by means of telephone, video or other communication facilities that permit all persons participating in the meeting to hear each other and a person participating in such a meeting by those means is deemed to be present at the meeting.

**8.07 Persons Entitled to be Present at Meetings**

- (a) The following persons are entitled to be present at a meeting of the Shareholder(s):
  - (i) those representatives of the Shareholder(s) entitled to vote thereat;
  - (ii) the Directors;
  - (iii) the auditor of the Corporation;
  - (iv) others who, although not entitled to vote, are entitled or required under any provision of the Act or these Bylaws to be present at the meeting; and
  - (v) those people as entitled to attend pursuant to Section 18 of the *Freedom of Information and Protection of Privacy Regulation*, A.R. 186/2008, as may be amended from time to time.
- (b) A meeting of a the Shareholders of the Corporation may be held in the absence of the public only as permissible pursuant to *Freedom of Information and Protection of Privacy Act* if the subject-matter being considered in the absence of the public concerns it, which may include, but not be limited to:
  - (i) the security of the property of the Corporation;
  - (ii) personal information of an individual, including an employee of a Corporation;
  - (iii) a proposed or pending acquisition or disposition of property by or for a Corporation;
  - (iv) labour relations or employee negotiations; or
  - (v) a law enforcement matter, litigation or potential litigation, including matters before administrative tribunals affecting the Corporation;

and no other subject-matter is considered in the absence of the public.

**8.08 Notice of Adjourned Meeting**

If a meeting of Shareholder(s) is adjourned by one or more adjournments for an aggregate of less than 30 days, not less than five days' notice of the time and place of the adjourned meeting shall be given to those persons entitled to receive such notice as provided by the Act.

**8.09 Chairperson of Shareholder(s) Meetings**

The chairperson of any meeting of the Shareholder(s) shall be the first mentioned of such of the following persons as have been appointed and who is present at the meeting of the Corporation:

- (a) the Chairperson of the Board; and
- (b) the Vice-Chairperson of the Board.

If no such Officer is present within fifteen minutes from the time fixed for the holding of the meeting of the Shareholder(s), the persons present and entitled to vote shall choose one of their number then present to be chairperson of that meeting.

**8.10 Chairperson's Declaration as to Vote**

At any meeting, unless a ballot is demanded, a declaration by the chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or portion of votes recorded in favour of or against the motion.

**8.11 Voting by Ballot**

- (a) If a ballot is demanded by any person entitled to vote at a Shareholder(s) meeting and the demand is not withdrawn, the ballot so demanded shall be taken in such manner as the chairperson of the meeting shall direct. Upon a ballot each person who is entitled to vote at the meeting upon the question, shall vote that number of votes provided by the Act, USA or the articles, as the case may be.
- (b) The declaration by the chairperson of the meeting that the vote upon the question has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of votes recorded in favour of or against any resolution or question.

**8.12 Scrutineers**

The chairperson of any meeting of the Shareholder(s) may appoint one or more scrutineers to count and report upon the results of the voting.

**8.13 Proxy**

The form of proxy by which a proxy holder may be appointed for any meeting of the Shareholder(s) shall be in the following form or in any other appropriate form accepted by the chairperson of the meeting:

**"Proxy"**

*The undersigned, being a Shareholder of MCC for Smoky Lake Development Corp., hereby nominate, constitute and appoint \_\_\_\_\_, or in the absence of \_\_\_\_\_, \_\_\_\_\_ as the undersigned's attorney, representative and/or proxy holder with full power and authority to attend, vote and otherwise act for the undersigned, in the undersigned's name and behalf at the annual (or special) meeting of Shareholder(s) of the Corporation, to be held at*

\_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_ and at any and all adjournments thereof, with full power of substitution, and

The undersigned hereby revokes all other proxies given by, which might be used in respect of such meeting and any and all adjournments thereof.

Given this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Name of Shareholder]

Per: \_\_\_\_\_

#### **8.14 Written Resolution in Lieu of a Meeting**

Section 141 of the Act permits a written resolution of the Shareholders in lieu of holding a meeting. Section 18 of the *Freedom of Information and Protection of Privacy Regulation*, A.R. 186/2008 provides an exception for the need to hold meetings in public if another statute dictates that such meetings need not be held in public.

Accordingly, a resolution or resolutions signed by all of the Shareholders who are entitled to vote on such meeting, as such, without meeting together, whether embodied in the form of minutes of a meeting of Shareholders who are entitled to vote on such meeting or not, shall be valid and effectual as if passed at a meeting of the Shareholders who are entitled to vote on such meeting duly called and constituted and shall be entered into the minute book of the Corporation accordingly, and may relate back to any date therein stated to be the effective date thereof. A Shareholder may signify its assent to such resolution or resolutions in writing or by means of Telecommunication with respect to which a written record is made.

### **SECTION 9 - GENERAL MATTERS**

#### **9.01 Indemnification of Directors or Officers for Other Corporations on behalf of Corporation**

- (a) Except in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, the Corporation shall indemnify a Director, Officer, a former Director, a former Officer or a person who acts or acted at the Corporation's request as a Director or Officer of a body corporate of which the Corporation is or was a Shareholder or creditor, and his/her heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party by reason of being or having been a Director or Officer of that Corporation or body corporate, if:
- (i) he/she acted honestly and in good faith with a view to the best interests of the Corporation; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful.
- (b) The Corporation may with the approval of the Court indemnify a person referred to in subparagraph (a) in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, to which he/she is made a party by reason of being or having been a Director of the Corporation or body corporate, against all costs, charges and expenses reasonably incurred by him in connection with the action if he/she fulfils the conditions set out in subparagraphs (a)(i) and (ii).

#### **9.02 Indemnification of Others**

Subject to Section 10.01(a) hereof, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was an employee or agent of the Corporation, or is or was serving at



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the request of the Corporation as a Director, Officer, employee, agent of or participant in another corporation, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines in any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if the Board determines that:

- (a) he/she acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful.

### **9.03 Right of Indemnity not Exclusive**

The provisions for indemnification contained in this Section 10 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaws, USA, vote of Shareholder(s) or disinterested Directors or otherwise both as to acting in an official capacity and as to acting in any other capacity while holding such office and shall continue as to a person who has ceased to be a Director and shall enure to the benefit of the heirs and legal representatives of such person.

### **9.04 Bylaw Amendment**

The Bylaws may only be made, amended or repealed as stipulated in the USA.

### **9.05 Notices**

In addition to any other method of service permitted by the Act any notice or document required by the Act, the regulations, the Articles or the Bylaws may be sent to any person entitled to receive same in the manner set out in the Act for service upon a Shareholder or director and by any means of Telecommunication with respect to which a written record is made. A notice sent by means of Telecommunication shall be deemed to have been given on the first business day after the date upon which the written record is made.

### **9.06 Waiver of Notice**

Any Shareholder (or its duly appointed proxy holder), Director, Officer, auditor or member of the Corporation may waive the requirement to give or the time for any notice required to be given to it under any provision of the Act, the regulations thereunder, the Articles, the Bylaws or otherwise, and such waiver or abridgment, whether given before or after the meeting or other event of which the notice is required to be given, shall cure any defect in the giving or in the time of such notice as the case may be. Any such waiver as aforesaid shall be in writing for the waiver to be valid.

### **9.07 Signature on Notice**

The signature to any notice to be given by the Corporation may be lithographed, written, printed or otherwise mechanically reproduced.

### **9.08 Surrender of Shares on Continuance**

Where this bylaw has become effective on the issue of a certificate of continuance for the Corporation the Board may require a member to surrender his/her share certificate for the purpose of having it cancelled and replaced by a new share certificate that complies with the Act.

### **9.09 Counterpart Documents**

Any resolution in writing may be executed in counterpart and shall thereupon be binding upon the person or persons whose signatures appear thereon subject to the execution of one or more similar counterparts to be executed in the aggregate by the remaining person or persons named or referred to therein.

**9.10 Solicitors Authorization**

The solicitors for the Corporation, as its agents, are authorized to, without further action or authorization from the Corporation, its Board, or Officers, as the case may be, execute and file with Alberta Corporate Registry or any other similar entity, whether in or outside of the Province of Alberta, any and all documents contemplated by the *Business Corporations Act* or any other applicable legislation or regulation, including but not limited to, a Notice of Change of Address.

Enacted by the Board as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

As evidenced by the signature of the Chairperson of the Board endorsed below.

\_\_\_\_\_  
Chairperson of the Board

CONSENT TO ACT AS DIRECTOR

To: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")

AND TO: THE SHAREHOLDERS THEREOF

I hereby certify as follows:

1. I am not less than eighteen (18) years of age;
2. I am not:
  - (a) a represented adult as defined in the *Adult Guardianship and Trusteeship Act*, or is the subject of a Certificate of incapacity that is in effect under the *Public Trustee Act*;
  - (b) a formal patient as defined in the *Mental Health Act*;
  - (c) the subject of an order under *The Mentally Incapacitated Persons Act*; or
  - (d) a person who has been found to be of unsound mind by a court elsewhere than in Alberta.
3. I do not have the status of a bankrupt; and
4. I am a resident Canadian by definition in the *Business Corporations Act*, whereby:
  - (a) I am a Canadian citizen ordinarily resident in Canada; or
  - (b) I am a Canadian citizen not ordinarily resident in Canada, but who is a member of a prescribed class of persons; or
  - (c) I am a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

I hereby acknowledge that the Corporation is relying upon this certificate for the purpose of ensuring compliance by the Corporation with the provisions of the *Business Corporations Act* (Alberta), and agree to advise the Corporation by instrument in writing delivered to the Corporation of any change in my status as hereinbefore declared.

I hereby consent to act as a director of the Corporation. This consent shall continue in effect from year to year so long as I am re-elected to the board of directors by the shareholders, but if I resign from the board of directors, this consent shall cease to have effect from the effective date of such resignation.

I further consent to the participation by any director at a meeting of the board of directors or of any committee of directors of the Corporation by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, such consent to continue in effect unless revoked by an instrument in writing delivered to the Corporation.

Effective the 28th day of March, 2022.

\_\_\_\_\_  
ADAM KOZAKIEWICZ

CONSENT TO ACT AS DIRECTOR

To: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")

AND TO: THE SHAREHOLDERS THEREOF

I hereby certify as follows:

1. I am not less than eighteen (18) years of age;
2. I am not:
  - (a) a represented adult as defined in the *Adult Guardianship and Trusteeship Act*, or is the subject of a Certificate of incapacity that is in effect under the *Public Trustee Act*;
  - (b) a formal patient as defined in the *Mental Health Act*;
  - (c) the subject of an order under *The Mentally Incapacitated Persons Act*; or
  - (d) a person who has been found to be of unsound mind by a court elsewhere than in Alberta.
3. I do not have the status of a bankrupt; and
4. I am a resident Canadian by definition in the *Business Corporations Act*, whereby:
  - (a) I am a Canadian citizen ordinarily resident in Canada; or
  - (b) I am a Canadian citizen not ordinarily resident in Canada, but who is a member of a prescribed class of persons; or
  - (c) I am a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

I hereby acknowledge that the Corporation is relying upon this certificate for the purpose of ensuring compliance by the Corporation with the provisions of the *Business Corporations Act* (Alberta), and agree to advise the Corporation by instrument in writing delivered to the Corporation of any change in my status as hereinbefore declared.

I hereby consent to act as a director of the Corporation. This consent shall continue in effect from year to year so long as I am re-elected to the board of directors by the shareholders, but if I resign from the board of directors, this consent shall cease to have effect from the effective date of such resignation.

I further consent to the participation by any director at a meeting of the board of directors or of any committee of directors of the Corporation by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, such consent to continue in effect unless revoked by an instrument in writing delivered to the Corporation.

Effective the 28th day of March, 2022.

\_\_\_\_\_  
AMY CHERNIWCHAN

CONSENT TO ACT AS DIRECTOR

To: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")

AND TO: THE SHAREHOLDERS THEREOF

I hereby certify as follows:

- 1. I am not less than eighteen (18) years of age;
- 2. I am not:
  - (a) a represented adult as defined in the *Adult Guardianship and Trusteeship Act*, or is the subject of a Certificate of incapacity that is in effect under the *Public Trustee Act*;
  - (b) a formal patient as defined in the *Mental Health Act*;
  - (c) the subject of an order under *The Mentally Incapacitated Persons Act*; or
  - (d) a person who has been found to be of unsound mind by a court elsewhere than in Alberta.
- 3. I do not have the status of a bankrupt; and
- 4. I am a resident Canadian by definition in the *Business Corporations Act*, whereby:
  - (a) I am a Canadian citizen ordinarily resident in Canada; or
  - (b) I am a Canadian citizen not ordinarily resident in Canada, but who is a member of a prescribed class of persons; or
  - (c) I am a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

I hereby acknowledge that the Corporation is relying upon this certificate for the purpose of ensuring compliance by the Corporation with the provisions of the *Business Corporations Act* (Alberta), and agree to advise the Corporation by instrument in writing delivered to the Corporation of any change in my status as hereinbefore declared.

I hereby consent to act as a director of the Corporation. This consent shall continue in effect from year to year so long as I am re-elected to the board of directors by the shareholders, but if I resign from the board of directors, this consent shall cease to have effect from the effective date of such resignation.

I further consent to the participation by any director at a meeting of the board of directors or of any committee of directors of the Corporation by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, such consent to continue in effect unless revoked by an instrument in writing delivered to the Corporation.

Effective the 28th day of March, 2022.

\_\_\_\_\_  
LINDA FENERTY

CONSENT TO ACT AS DIRECTOR

To: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")

AND TO: THE SHAREHOLDERS THEREOF

I hereby certify as follows:

1. I am not less than eighteen (18) years of age;
2. I am not:
  - (a) a represented adult as defined in the *Adult Guardianship and Trusteeship Act*, or is the subject of a Certificate of incapacity that is in effect under the *Public Trustee Act*;
  - (b) a formal patient as defined in the *Mental Health Act*;
  - (c) the subject of an order under *The Mentally Incapacitated Persons Act*; or
  - (d) a person who has been found to be of unsound mind by a court elsewhere than in Alberta.
3. I do not have the status of a bankrupt; and
4. I am a resident Canadian by definition in the *Business Corporations Act*, whereby:
  - (a) I am a Canadian citizen ordinarily resident in Canada; or
  - (b) I am a Canadian citizen not ordinarily resident in Canada, but who is a member of a prescribed class of persons; or
  - (c) I am a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

I hereby acknowledge that the Corporation is relying upon this certificate for the purpose of ensuring compliance by the Corporation with the provisions of the *Business Corporations Act* (Alberta), and agree to advise the Corporation by instrument in writing delivered to the Corporation of any change in my status as hereinbefore declared.

I hereby consent to act as a director of the Corporation. This consent shall continue in effect from year to year so long as I am re-elected to the board of directors by the shareholders, but if I resign from the board of directors, this consent shall cease to have effect from the effective date of such resignation.

I further consent to the participation by any director at a meeting of the board of directors or of any committee of directors of the Corporation by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, such consent to continue in effect unless revoked by an instrument in writing delivered to the Corporation.

Effective the 28th day of March, 2022.

---

LORNE HALISKY

**RESOLUTIONS OF THE SHAREHOLDERS  
OF MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(THE "CORPORATION")  
EFFECTIVE DATE: MARCH 28, 2022**

---

**BE IT RESOLVED THAT:**

**ELECTION OF DIRECTORS**

1. The following persons be elected directors of the Corporation for a term expiring at the closing of the next annual meeting or resolutions of the shareholders or until their successors are elected or appointed:

**LORNE HALISKY  
LINDA FENERTY  
AMY CHERNIWCHAN  
ADAM KOZAKIEWICZ**

**CONFIRMATION OF BY-LAW No. 1**

2. By-law No. 1, the general administrative by-law of the Corporation enacted and made by the Directors of the Corporation, be and it is hereby confirmed as a bylaw of the Corporation.

**APPOINTMENT OF ACCOUNTANTS**

3. \_\_\_\_\_, are hereby appointed accountants of the Corporation to hold office until the next annual meeting or next annual resolutions at such remuneration as may be fixed by the Board of Directors and the Board of Directors is hereby authorized to fix such remuneration.

**RATIFICATION OF DIRECTORS' ACTS**

4. The business transacted at the first meeting of the Directors be and the same is hereby ratified and confirmed.

These resolutions may be signed by the shareholders of the Corporation in as many counterparts as may be necessary and delivered by electronic transmission, and such counterparts together shall constitute one and the same original instrument, each of which so signed shall be deemed to be an original.

The undersigned, being the shareholders of the Corporation entitled to vote at a meeting of shareholders, hereby confirm the foregoing resolutions, in accordance with the provisions of the *Business Corporations Act* (Alberta).

SMOKY LAKE COUNTY

TOWN OF SMOKY LAKE

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**RESOLUTIONS OF THE DIRECTORS  
OF MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")  
EFFECTIVE DATE: MARCH 28, 2022**

**WHEREAS** a Certificate of Incorporation was issued to the Corporation on March 28, 2022, and the same has been inserted in the minute book of the Corporation.

**NOW THEREFORE BE IT RESOLVED THAT:**

**APPOINTMENT OF OFFICERS**

- 1. The following persons be and are hereby appointed to the offices set opposite their names to serve at the pleasure of the board:


**ENACTMENT OF BY-LAW No. 1**

- 2. By-law No. 1 of the Corporation, being a by-law relating generally to the transaction of the business and affairs of the Corporation, is hereby enacted. The President of the Corporation be and is hereby authorized and directed to sign By-law No. 1 and to place a signed copy thereof in the minute book of the Corporation.

**SHARE CERTIFICATES**

- 3. The form of share certificate for the Class "A" Common Voting, Class "B" Common Voting, Class "C" Common Voting, Class "D" Common Non-Voting, Class "E" Common Non-Voting, Class "F" Common Non-Voting, Class "G" Preferred Non-Voting, Class "H" Preferred Non-Voting, and Class "I" Preferred Non-Voting Shares in the capital of the Corporation, a specimen of which is annexed hereto as Schedule "A", be and the same is hereby approved and adopted.

**ISSUE OF SHARES**

- 4. Shares in the capital stock of the Corporation be issued to the following persons, of the type and in the aggregate numbers opposite their respective names pursuant to their subscriptions therefore:

**ALLOTTEE**

**NUMBER OF SHARES**

TOWN OF SMOKY LAKE  
SMOKY LAKE COUNTY

100 CLASS "A" COMMON VOTING  
100 CLASS "A" COMMON VOTING

5. The Corporation having received payment in full for such shares, hereby declares that such shares be issued as fully-paid and non-assessable and certificates therefor be issued in the name of each of the respective allottees or as they may in writing direct.

**REGISTERED OFFICE**

6. The registered office of the Corporation shall be the Edmonton office of Brownlee LLP.

The solicitors for the Corporation, as its agents, are authorized to, without further action or authorization from the Corporation, its Directors or Officers, as the case may be, execute and file with Alberta Corporate Registry or any other similar entity, whether in or outside of the Province of Alberta, any and all documents contemplated by the *Business Corporations Act* or any other applicable legislation or regulation, including but not limited to, a Notice of Change of Address.

**LOCATION OF MINUTE BOOK**

7. The minute book containing all corporate and directors' records be maintained at the Corporation's registered office.

**FINANCIAL YEAR END**

8. The financial year of the Corporation shall end on the \_\_\_\_ day of \_\_\_\_\_ in each year until changed by the board.

These resolutions may be signed by the directors of the Corporation in as many counterparts as may be necessary and delivered by electronic transmission, and such counterparts together shall constitute one and the same original instrument, each of which so signed shall be deemed to be an original.

The undersigned, being the directors of the Corporation, hereby sign the foregoing resolutions in accordance with the provisions of the *Business Corporations Act* (Alberta).

\_\_\_\_\_  
LORNE HALISKY

\_\_\_\_\_  
LINDA FENERTY

\_\_\_\_\_  
AMY CHERNIWCHAN

\_\_\_\_\_  
ADAM KOZAKIEWICZ

**SCHEDULE "A"**

**SHARE CERTIFICATE**

The Shares represented by this certificate are subject to restriction(s) on transferability contained in the Articles of the Corporation and may be subject to a lien in favour of the Corporation.

Number	Class and Series	Shares

**MCC FOR SMOKY LAKE DEVELOPMENT CORP.**

(THE "CORPORATION")

Incorporated Under the *Business Corporations Act* (Alberta)

This Certifies that \_\_\_\_\_ is the registered holder of \_\_\_\_\_ **Class "A"**  
**Common Voting Shares** of the Corporation.

The class or series of shares represented by this certificate has rights, privileges, restrictions or conditions attached to it and the Corporation will furnish to a shareholder, on demand and without charge, a full copy of the text of:

- a. the rights, privileges, restrictions and conditions attached to each class authorized to be issued and to each series insofar as they have been fixed by the directors; and
- b. the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series.

In Witness Whereof, the Corporation has caused this Certificate to be signed by its duly authorized officer(s) on \_\_\_\_\_.

\_\_\_\_\_  
President

The rights of the holder and successors to the holder to sell, encumber, alienate or realize the Shares represented hereby are restricted by the terms of an Agreement between the Shareholders of the Corporation and the Corporation dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, a copy of which Agreement is on record with the Secretary of the Corporation.

For Value Received, \_\_\_\_\_  
hereby sells, assigns and transfers unto \_\_\_\_\_  
represented by the within Certificate, and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ Attorney to transfer the said Shares on the books of the Corporation with full  
power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Witness

SHARE SUBSCRIPTION

**TO: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")**

**AND TO: THE BOARD OF DIRECTORS THEREOF**

THE UNDERSIGNED hereby subscribes for the shares in the capital stock of the Corporation listed hereunder and tenders herewith the following sums in full payment of the aggregate subscription price for such shares:

<u>SHARE TYPE</u>	<u>NUMBER</u>	<u>CONSIDERATION</u>
Class "A" Common Voting	100	\$1.00

THE UNDERSIGNED hereby requests that such shares be issued to the undersigned as fully-paid and non-assessable and that a certificate or certificates representing such shares be issued in the name of and delivered to the undersigned.

Effective the 28th day of March, 2022.

TOWN OF SMOKY LAKE

Per: \_\_\_\_\_

**SHARE SUBSCRIPTION**

**To: MCC FOR SMOKY LAKE DEVELOPMENT CORP.  
(the "Corporation")**

**AND TO: THE BOARD OF DIRECTORS THEREOF**

**THE UNDERSIGNED** hereby subscribes for the shares in the capital stock of the Corporation listed hereunder and tenders herewith the following sums in full payment of the aggregate subscription price for such shares:

<b><u>SHARE TYPE</u></b>	<b><u>NUMBER</u></b>	<b><u>CONSIDERATION</u></b>
Class "A" Common Voting	100	\$1.00

**THE UNDERSIGNED** hereby requests that such shares be issued to the undersigned as fully-paid and non-assessable and that a certificate or certificates representing such shares be issued in the name of and delivered to the undersigned.

Effective the 28th day of March, 2022.

SMOKY LAKE COUNTY

Per: \_\_\_\_\_



<b>REQUEST FOR DECISION</b>	DATE	
<b>TOPIC</b>	<b>Bylaw 1413-22 Lending Money to a Municipal Controlled Non-Profit Organization</b>	
<b>PROPOSAL</b>	<p>In the 2018 Strategic Plan, one of the priorities Council established was to diversify the economy with innovative planning and by supporting infrastructure that encourages investment. A goal from the plan was to create a Victoria District Economic Development plan. This led to the Victoria District Economic Development Strategy MCC Business Plan which was adopted by council in June, 2021.</p> <p>To carry out the plan, Smoky Lake County will invest \$10,000 in shares as a 50% shareholder of the MCC (to be named "MCC for Smoky Lake Development Corp). The MCC will then Invest \$25,000 in class A shares in the Smoky Lake Tourism Company Ltd (a partnership between the MCC and the Metis Nation) and appoint a Director to sit on that Board.</p> <p>The MCC will then have \$565,000 loan to the Tourism Company Ltd (SLTL) to invest in projects brought forward by the SLTL to the MCC Board.</p> <p>Smoky Lake County can only lend money via a lending bylaw. Attached is the proposed lending bylaw to give authorization for the loan. The highlights of the bylaw are:</p> <ul style="list-style-type: none"> <li>• The MCC will use the funds to invest in the Smoky Lake Tourism Company Ltd, as described herein, which will provide a return of investment to the MCC.</li> <li>• The Smoky Lake Tourism Company Ltd is a partnership consisting of the MCC and the Metis Nation. This organization will be authorized to use the funds invested to further invest or loan in projects that increase tourism in the Victoria District area.</li> <li>• As per the business plan, the loan of \$590,000 is to be completely paid back to the County within 8 years.</li> <li>• The interest rate established is 6.5% which is substantially higher than the 3.07% that is currently being charged by Alberta Capital Finance Authority.</li> <li>• Payments of \$100,000 per year will be made annually beginning on December 31, 2024. Interest will be accrued for the years 2022 and 2023. In the final year (2030) the balance of \$287,629.54 will be paid. The amortization schedule is shown below:</li> </ul>	

**MCC Smoky Lake Development Corp  
Schedule A  
Amortization Schedule**

Loan value \$ 590,000.00  
Interest 6.5% per annum  
Payment due December 31 of each year

			Accrued Principle	Principal Paid	Interest	Balance Owing	Payment
Deferred Interest Payment	31-Dec-22	2022	\$ 590,000.00	\$ -	\$ 38,350.00	\$ 628,350.00	\$ -
Deferred Interest Payment	31-Dec-23	2023	\$ 628,350.00	\$ -	\$ 40,842.75	\$ 669,192.75	\$ -
Payment #1	31-Dec-24	2024		\$ 56,502.47	\$ 43,497.53	\$ 612,690.28	\$ 100,000.00
Payment #2	31-Dec-25	2025		\$ 60,175.13	\$ 39,824.87	\$ 552,515.15	\$ 100,000.00
Payment #3	31-Dec-26	2026		\$ 64,086.52	\$ 35,913.48	\$ 488,428.63	\$ 100,000.00
Payment #4	31-Dec-27	2027		\$ 68,252.14	\$ 31,747.86	\$ 420,176.49	\$ 100,000.00
Payment #5	31-Dec-28	2028		\$ 72,688.53	\$ 27,311.47	\$ 347,487.96	\$ 100,000.00
Payment #6	31-Dec-29	2029		\$ 77,413.28	\$ 22,586.72	\$ 270,074.68	\$ 100,000.00
Payment #7	31-Dec-29	2030		\$ 190,881.93	\$ 17,554.85	\$ -	\$ 287,629.54
Totals				\$ 590,000.00	\$ 297,629.54		\$ 887,629.54

Principal \$ 590,000.00  
Interest \$ 297,629.54  
Total Payments \$ 887,629.54

After first reading of the bylaw, it will be advertised in the paper as per MGA requirements, as well as posted on social media and our website.

**CORRELATION TO BUSINESS (STRATEGIC) PLAN**

**Policy 01-38-03 Smoky Lake County Strategic Plan 2018-2020, Schedule B, Page 9 of 10**

Economic Development Smoky Lake County diversifies its economy with innovative planning and by supporting infrastructure that encourages investment.

- 1.0 Good planning that supports growth
- 1.2 Victoria District Economic Development Plan July 2020

**LEGISLATIVE, BYLAW and/or POLICY IMPLICATIONS**

Purpose of loans and guarantees

**264(1) A municipality may only lend money or guarantee the repayment of a loan if (a) the loan or guarantee is made under subsection (2) or (3), (b) the loan is made to one of its controlled corporations, or (c) the guarantee is made in respect of a loan between a lender and one of its controlled corporations. (2) A municipality may (a) lend money to a non-profit organization, or (b) guarantee the repayment of a loan between a lender and a non-profit organization if the council considers that the money loaned or money obtained under the loan that is guaranteed will be used for a purpose that will benefit the municipality.**

**Loan bylaws**

**265(1) A municipality may only lend money to a non-profit organization, one of its controlled corporations or the designated seller within the meaning of section 30(1) of the Gas Distribution Act, SA 1994 cG-1.5 as it read on June 30, 1998, if the loan is authorized by bylaw. (2) The bylaw authorizing the loan must set out (a) the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used; (b) the minimum rate**

of interest, the term and the terms of repayment of the loan; (c) the source or sources of the money to be loaned. (3) The bylaw that authorizes the loan must be advertised. 1994 cM-26.1 s265;1998 c26 s13

**Requirements for advertising**

606(1) The requirements of this section apply when this or another enactment requires a bylaw, resolution, meeting, public hearing or something else to be advertised by a municipality, unless this or another enactment specifies otherwise. (2) Notice of the bylaw, resolution, meeting, public hearing or other thing must be (a) published at least once a week for 2 consecutive weeks in at least one newspaper or other publication circulating in the area to which the proposed bylaw, resolution or other thing relates, or in which the meeting or hearing is to be held, (b) mailed or delivered to every residence in the area to which the proposed bylaw, resolution or other thing relates, or in which the meeting or hearing is to be held, or (c) given by a method provided for in a bylaw under section 606.1. (3) A notice of a proposed bylaw must be advertised under subsection (2) before second reading.  
 (6) A notice must contain RSA 2000 Section 606.1 Chapter M-26 MUNICIPAL GOVERNMENT ACT 367 (a) a statement of the general purpose of the proposed bylaw, resolution, meeting, public hearing or other thing, (b) the address where a copy of the proposed bylaw, resolution or other thing, and any document relating to it or to the meeting or public hearing may be inspected, (c) in the case of a bylaw or resolution, an outline of the procedure to be followed by anyone wishing to file a petition in respect of it...

<b>BENEFITS</b>	
<b>DISADVANTAGES</b>	
<b>ALTERNATIVES</b>	
<b>FINANCE/BUDGET IMPLICATIONS</b>	
Operating Costs: \$ _____	Capital Costs: \$ _____
Budget Available: \$ <u>590,000</u>	Source of Funds: \$ <u>reserve</u>
<b>Budgeted Costs:</b>	<b>Unbudgeted Costs:</b>
<b>INTERGOVERNMENTAL INVOLVEMENT/IMPLICATIONS</b>	The Town of Smoky Lake will also need to prepare a lending bylaw to authorize their loan to the MCC.
<b>COMMUNICATION STRATEGY</b>	Advertise as per the public participation plan attached.
<b>RECOMMENDATION</b>	
That Smoky Lake County gives 1 <sup>st</sup> reading of bylaw Bylaw 1413-22 To Authorize Lending Money to a Municipal Controlled Non-Profit Organization.	
<b>CHIEF ADMINISTRATIVE OFFICER</b>	





## PUBLIC PARTICIPATION PLAN

## SCHEDULE "A"

Project Title: \_\_\_\_\_

## STEP ONE

**Prepare a Public Participation Plan:**Public Participation Opportunity Number: \_\_\_\_\_ **Policy Section: 4.3.1**

## STEP TWO

**IMPLEMENT THE PUBLIC PARTICIPATION PLAN****A**

Establish the Goal and Level of Public Participation

**Identify Public Participation Goal and determine level of public participation for the project:** To determine the appropriate level of public participation, it is important to assess the degree to which the public considers the issue significant. **Policy Section: 4.3.2**LEVEL:  
 1 Inform      2 Consult      3 Involve      4 Collaborate      5 Empower  
Adv

What is to be achieved: \_\_\_\_\_

**B**Description:  
Clear overview  
of Opportunity**Describe the Project:** Provide a clear description to lay the foundation for a successful and achievable public participation process within the timeline, geographic area, staff and budget limitations of the overall project. This information will be used to explain the project and communicate the boundaries of public participation in planning, program development or decision processes.**Describe the Project: (Key Issue)****Costs of Public Participation:****C**Outline  
Work Plan

Create a Work Plan Schedule: Any public participation plan should include a detailed timeline of the planning, program development or decision-making processes as well as the public participation activities within that process. Public information and input need to be timed early enough to provide the public adequate opportunity to influence the decision.

**Roles and Responsibilities**Designated Department Manager  
Team Members**Timeline**Include stages of Public  
Engagement (if more than one)**Information**Include Background, history and  
previous engagements



# PUBLIC PARTICIPATION PLAN

PAGE TWO

<b>STEP THREE</b>	<b>ENCOURAGE THE PUBLIC</b>
<b>D</b> Determine the of Public Participation Tools	Select Tools: Different public participation goals typically require different tools and approaches. <b>Policy Section: 4.3.3</b> <input type="checkbox"/> In-Person <input type="checkbox"/> Digital <input type="checkbox"/> Written <input type="checkbox"/> Representation
	Tool Activities: _____ _____ _____
<b>E</b> Public Participation Notice	<b>Public Notification Process:</b> advertised in order to notify the public of an issue and with a time frame of a 30-day public comment period will be provided prior to a decision being made. <b>Policy Section: 4.6.1</b>
	Advertise:    Complete <b>Schedule "B": Public Participation Notice.</b>  Gather Inputs and Disseminate Results for Reporting: (Concerns and Impact)
<b>STEP FOUR</b>	<b>REPORTING</b>
<b>F</b> Follow-up	Communicate feedback of the outcome to Council and Public. <b>Policy Section: 4.7</b> Complete <b>Schedule "C": Public Participation Report.</b>
	Council Meeting Date: _____ Request For Decision - Agenda Item: _____
<b>STEP FIVE</b>	<b>EVALUATE THE PROCESS</b>
	Evaluation measures the effectiveness of your public involvement process - Public Feedback and Public Participation Outcomes. Evaluate and report to Council. <b>Policy Section: 4.8</b> Complete <b>Schedule "D": Internal Evaluation</b>
	Evaluation summary will be provided through the Department Manager Report after the Public Participation Engagement Meeting with Council has been completed. To the following Council Meeting for Review. Council Meeting Date: _____
SMOKY LAKE COUNTY: Engagement Coordinator Name: _____ Title: _____	
DEPARTMENT: _____ DATE: _____	

SCHEDULE "B"

# Invitation for Public Participation

## NOTICE



### Your relationship with your Municipal Government "It's Your County – Engage"

Pursuant to Policy Statement No. 01-51: **Public Participation**, therefore promote and encourage public participation as is stipulated and governed by legislation to obtain public input on proposed **Opportunity:** \_\_\_\_\_

**Name:** Topic/issue /activity/type of participation event:  
\_\_\_\_\_

**Brief summary description and details:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Informed the Public:** List all tools used to inform the public  
\_\_\_\_\_

**The Public Participation Reporting will be held as follows:**

- Date:** Month, Day, Year
- Time:** 9:00 a.m. - **Agenda Item: Request For Decision Number 4. \_\_\_\_.**
- Location:** Smoky Lake County Council Chambers
- Address:** 4612 McDougall Drive, Smoky Lake, Alberta  
P.O. Box 310, Smoky Lake, Alberta T0A 3C0

Anyone who is interested to provide formal **comments or feedback** on the proposed opportunity is encouraged to attend the Council Meeting, or alternatively present a written submission at the Smoky Lake County Office prior to **12:00 p.m. (noon) on Month, Day, Year.**

A copy of the information can be obtained at the Smoky Lake County Office during normal business hours: Monday through Friday from 8:00 a.m. to 4:00 p.m. or on the County's website. For further information please contact Name, Department at 780-656-3730.

**Advertised:** Week of Month Day and Year in Paper(s): \_\_\_\_\_


**Posted:** Month Day and Year on Website: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Smoky Lake County**

**SCHEDULE "C"**

	Public Participation	REPORT
<p>The objective of this report is to provide all proceedings, findings and recommendations pertaining to the Public Participation undertaken for the following: <b>Public Participation Opportunity</b></p> <p><b>NAME:</b> _____</p> <p><b>DATE OF ACTIVITY/TIME PERIOD:</b> _____</p>		<p><b>Contact Person:</b></p> <p>_____</p> <p><b>Department:</b></p> <p>_____</p>
BRIEF DESCRIPTION OF PARTICIPATION OPPORTUNITY		
<p><b># of Participants:</b> _____</p>		<p><b>Other:</b> _____</p>
PURPOSE OF PARTICIPATON		TOOLS
<p><u>Level of Participation</u></p>	<p><u>Goals #</u></p>	<p>Participation Tools used:</p>
1. _____	_____	<input type="checkbox"/> _____
2. _____	_____	<input type="checkbox"/> _____
3. _____	_____	<input type="checkbox"/> _____
4. _____	_____	<input type="checkbox"/> _____
BACKGROUND: Record of the Participation PROCESS		
<p>Public Notice: <u>Timeline</u> Date for Public Feedback &amp; Comment</p> <p>_____</p>	<p>Advertised:</p>	<p>Background Information Provided:</p>
SUMMARY OF PUBLIC COMMENTS RECEIVED:		Written, Verbal or No comments
<p><u>Commenter Name</u></p>	<p><u>Title</u></p>	<p>Date and Format of Feedback received</p>
1. _____	_____	<input type="checkbox"/> _____
2. _____	_____	<input type="checkbox"/> _____
3. _____	_____	<input type="checkbox"/> _____
4. _____	_____	<input type="checkbox"/> _____
5. _____	_____	<input type="checkbox"/> _____
6. _____	_____	<input type="checkbox"/> _____
7. _____	_____	<input type="checkbox"/> _____
8. _____	_____	<input type="checkbox"/> _____



# Public Participation

**REPORT**

## Public Participation Opportunity

**PAGE TWO**

**NAME:** \_\_\_\_\_

### SUMMARY OF PUBLIC COMMENTS:

**FINDING:** Result of Involvement

**RECOMMENDATION:** Analysis of results

Blank space for finding details.

Blank space for recommendation details.

### COMPLETE AFTER COUNCIL DECISION

#### COUNCIL MEETING: DECISION:

Provide an outline of decisions made

Provide a record of how the final decision was reached

Council Meeting Date: \_\_\_\_\_  
Request For Decision: 4. \_\_\_\_\_

Approval: Motion Number: \_\_\_\_\_

**WHAT WORKED WELL AND WHY?** Satisfaction with the process, success with the conclusion of the work

**WHAT SHOULD BE DONE DIFFERENTLY NEXT TIME?**

**HOW WAS SUCCESS MEASURED?** How do we know that the engagement as successful?

Evaluation Completed: \_\_\_\_\_  
Comments:

#### COMMUNICATE DECISION:

Advise Public of the final outcome

Report Release Date:

How was the Public advised of Decision:

**RETENTION OF RECORD:** All correspondence submitted to Smoky Lake County will form part of the public record and will be retained in accordance with Bylaw No. 1134-05: Records Retention and Disposition. File No.: \_\_\_\_\_

#### SIGN-OFF:

DEPARTMENT MANAGER NAME:

SIGNATURE


DATE

CHIEF ADMINISTRATIVE OFFICER NAME:

SIGNATURE

DATE

**SCHEDULE "D"**

<b>PUBLIC PARTICIPATION Internal Evaluation</b>				
<b>Follow-Up Worksheet</b>				
OPPORTUNITY: _____				
<b>1 = No    2= Partially    3=Yes</b>				
<b>T</b>	<b>Transparency</b>			
1	The Public Participation Policy was followed.	1	2	3
2	Benefits of involving public were considered.	1	2	3
3	Engagement tools and approach were effective.	1	2	3
4	Information provided in timely, accurate, accessible and easily understood.	1	2	3
5	An evaluation process was developed and administered.	1	2	3
<b>R</b>	<b>Respect</b>			
6	An involvement strategy was identified – key issues addressed.	1	2	3
7	A variety of techniques was considered to reach and involve.	1	2	3
8	Support was evident throughout.	1	2	3
9	Time spent by staff in preparation, delivery and follow-up: <ul style="list-style-type: none"> <li>■ Number of hours? _____</li> <li>■ Were resources budgeted? _____</li> <li>■ Costs of Participation Process? _____</li> </ul>			
10	Staff was capable of supporting effective involvement.	1	2	3
<b>U</b>	<b>Unity</b>			
11	The issue/question was clearly defined before starting.	1	2	3
12	The levels of participation were applied effectively.	1	2	3
13	Publics' time and resources were recognized and used effectively.	1	2	3
14	The expected outcome of the process was achieved.	1	2	3
15	Was the public satisfied with the Public Participation process.	1	2	3
<b>S</b>	<b>Social</b>			
16	Appropriate citizens were identified.	1	2	3
17	Attempts were made to reach and involve those directly affected.	1	2	3
18	The participation was appropriate and added value.	1	2	3
19	Public adhered to the process.	1	2	3
20	Feedback was provided on how public participation input influenced decision.	1	2	3
<b>T</b>	<b>Transform</b>			
21	Council adhered to the process.	1	2	3
22	Results were communicated to all public.	1	2	3
23	The outcomes were achieved satisfactorily.	1	2	3
24	What can be improved for next time?			
25	What went well?			
Department: _____		Completed by: _____		
Date: _____		Council Meeting Date: _____		

SCHEDULE "E"

<b>PUBLIC PARTICIPATION MEETING</b> <b>ATTENDEE SIGN IN SHEET</b>	
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**SMOKY LAKE COUNTY**

COUNCIL MEETING DATE: \_\_\_\_\_ AGENDA ITEM: 4. \_\_\_\_\_

Issue /activity/type of participation event: \_\_\_\_\_

Name (Print)	Signature	Email or Mailing Address

**Your name will be called upon by the chairperson to speak for your comments.**