

ARTICLES OF ASSOCIATION OF SUMMERSIDE RESIDENTS ASSOCIATION

1. The Articles of Association contained in Table "A" in the Schedule to the *Companies Act* (Alberta) do not apply to this Company.

INTERPRETATION

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

- (a) **"Brookfield"** means Brookfield Residential (Alberta) LP (the successor-in-interest to Carma Developers Ltd. who was named in the Original Articles), its successors and assigns;
- (b) **"City"** means The City of Edmonton;
- (c) **"Commercial Member"** means the registered owner (including Brookfield if applicable) or one of the registered owners (as designated by those registered owners) of a commercial development located within the Summerside Lands;
- (d) **"Companies Act (Alberta)"** means the *Companies Act* R.S.A. 2000, c. C-21, as amended or any substitution therefor from time to time;
- (e) **"Company"** means Summerside Residents Association;
- (f) **"Criminal Code (Canada)"** means the *Criminal Code* R.S.C. 1985, c. C-46, as amended or any substitution therefor from time to time;
- (g) **"Directors", "Board" and "Board of Directors"** means the directors of the Company for the time being;
- (h) **"Effective Date"** has the meaning ascribed to that term in the Summerside Management Agreement;
- (i) **"Electronic Transactions Act (Alberta)"** means the *Electronic Transactions Act* S.A. 2001, c. E-5.5, as amended or any substitution therefor from time to time;
- (j) **"Encumbrance"** means an instrument to secure the annual rental charge to be paid by certain of the Members of the Company to the Company and registered or to be registered against the title to residential lands and commercial lands of persons in the Summerside Lands who are Members of the Company, in favour of the Company, for the purpose of forming an enforceable encumbrance pursuant to the provisions of the *Land Titles Act* (Alberta);
- (k) **"Executive Officer"** means individuals holding any of the following offices: president, vice president, secretary, treasurer, or secretary-treasurer;

- (l) **"Family Members"** means the family members of a Homeowner Member or Tenant Member, whether through birth, adoption or marriage (legal or otherwise), to the extent of (but not beyond), great-aunts, great-uncles, great-grandparents, great-nieces, great-nephews and great-grandchildren, who are actually residing in the residential property of the Homeowner Member or Tenant Member;
- (m) **"Homeowner Member"** means the registered owner (including Brookfield as applicable) or one of the registered owners (as designated by those registered owners) of a single family property, a condominium unit, or multi-family rental property in respect of which a separate certificate of title is issued for each unit (or, in each case, a single tenant residing in such property as designated by the registered owner or owners thereof) located in the Summerside Lands, who is a qualified Member of the Company;
- (n) **"Lake"** means that man-made lake within the Summerside Lands and which comprises a major component of the Summerside Amenities;
- (o) **"Lake Access Lot"** means within the Summerside Lands, a single family lot, any portion of which borders on a Walkway, or a multi-family condominium or rental site, any portion of which borders on a Walkway;
- (p) **"Lakeshore Lot"** means within the Summerside Lands, a single family lot, any portion of which borders on the Lake, or a multi-family condominium or rental site, any portion of which borders on the Lake;
- (q) **"Land Titles Act (Alberta)"** means the *Land Titles Act* R.S.A. 2000, c. L-4, as amended or any substitution therefor from time to time;
- (r) **"Member"** means a person for the time being entered in the Register of Members of the Company and Members means collectively all of them from time to time, inclusive of Commercial Members, Homeowner Members, Rental Members, Family Members, and Tenant Members;
- (s) **"Member in Good Standing"** means a Member who has complied with all requirements of membership, who, as of the record date for a relevant meeting, is not in default of paying any sums due and payable to the Company within forty-five (45) days of the original demand for payment of any such sum, and who has not previously vacated or been removed from the office of Director pursuant to Article 34 or Article 41;
- (t) **"month"** means calendar month;
- (u) **"office"** means the registered office of the Company for the time being;
- (v) **"Original Articles"** means the Articles of Association of the Company dated July 28, 2000 and recorded at Alberta Corporate Registries on July 31, 2000;
- (w) **"rent charges", "rental charges", "annual rental charge"** and similar expressions means the fees assessed by the Company for its Members, as more particularly described in these Articles;

- (x) **"Rental Member"** means the registered owner or one of the registered owners of a multi-family residential rental project located in the Summerside Lands, who is a qualified Member of the Company;
- (y) **"Rules"** means the rules and regulations relating to the use of the Summerside Amenities, initially in the form of Schedule K to the Summerside brochure, as such rules and regulations may be amended from time to time in accordance with the terms of these Articles;
- (z) **"Standard Lot"** means within the Summerside Lands, a single family lot or multi-family condominium or rental site, which is neither a Lakeshore Lot nor a Lake Access Lot;
- (aa) **"Subscribers"** means Douglas W. Kelly, Louise Gibson and Shaun E. Cranston, the subscribers originally named on the Original Articles;
- (bb) **"Summerside Amenities"** means certain public community lands and/or private amenity lands as designated by Brookfield, in each case including the improvements thereon, all of which will be situate within the Summerside Lands, any all or any of the equipment, chattels and assets used in connection therewith. For greater certainty, the Summerside Amenities include the Lake and the beach club adjacent to the Lake;
- (cc) **"Summerside Lands"** means the residential subdivision lands owned by Brookfield in the southwest portion of the City of Edmonton and designated by Brookfield as the Summerside Lands, within the area shown in Exhibit 1 to the Summerside Management Agreement situated within lands contained in the City's Ellerslie Area Structure Plan, and, if Brookfield in its sole and unfettered discretion so decides, such other lands in the vicinity thereof (as may be owned by Brookfield or by other developers as approved from time to time by Brookfield in its sole and unfettered discretion);
- (dd) **"Summerside Management Agreement"** means that agreement to be entered into between the Company and Brookfield, the form of which agreement is Schedule A to the Summerside brochure;
- (ee) **"Tenant Member"** means a tenant actually renting and residing in a multi-family rental project located in the Summerside Lands that may or may not be owned by a Rental Member in accordance with these Articles;
- (ff) **"Voting Members"** means the Members who are entitled to vote at meetings of the Company and shall be restricted to only Commercial Members, Homeowner Members and Rental Members or their respective designates as provided herein, and the Subscribers while such Subscribers remain Members hereunder; and
- (gg) **"Walkway"** means any one of the private Walkways that connects to the Lake and against which is registered an easement generally in the form of Schedule H to the Summerside brochure;
- (hh) **"writing"** and **"written"** includes printing, typewriting, lithographing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include fax and records (including signatures) in

electronic form that fulfill the requirements of the *Electronic Transactions Act* (Alberta).

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

REGISTERED OFFICE

3. Subject to the provisions of the *Companies Act* (Alberta), the Company may, by ordinary resolution of the Directors change from time to time the place within the City of Edmonton where the registered office of the Company is to be situated.

MEMBERS

4. The Subscribers shall be Members until they resign. Every person owning a single family or multi-family residential property (including a condominium unit or other residential unit in respect of which a separate certificate of title has been issued), or owning a commercial development in the Summerside Lands, shall be required to be a Member in Good Standing as long as such person so owns such residential property or commercial development, and shall forthwith cease to be a Member at any time such a residential property or commercial development in the Summerside Lands is not owned by such person; PROVIDED ALWAYS with reference to all residential and commercial properties located in the Summerside Lands:

- (a) Where there is more than one such owner of a property, there shall be only one Voting Member who shall be the person designated as the Voting Member by all the owners of said property. In the absence of such designation the first person named as owner in the certificate of title or as purchaser in an agreement for sale, shall be the Voting Member;
- (b) Where a Member owns more than one residential property in the Summerside Lands, including condominium units, that Member shall be entitled to one (1) vote for each such property owned by that Member;
- (c) Where a residential unit in respect of which a separate certificate of title has been issued is occupied by a tenant such tenant may be designated by the otherwise designated Voting Member pursuant to (a) above, as the Voting Member by and instead of the owner(s) of such property;
- (d) Where a rental project is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many Tenant Members are residing in the rental project, it shall have only one (1) vote;
- (e) Where the owner of the rental project first has become and maintains membership in the Company as a Rental Member, all the tenants of such rental project shall be entitled to become Tenant Members in the Company subject to them complying with the rules and regulations of the Company as well as any special rules and regulations put in place by the Board of Directors and dealing specifically with tenants of Rental Members. The right to membership of a Tenant Member shall automatically cease either at the same time that his Rental Member ceases to be a Member or he ceases to be a tenant in the rental project in question;

- (f) Where a commercial development is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many tenants are occupying the commercial development, it shall have only one (1) vote;
- (g) Where there is any difficulty or dispute in determining the Voting Members, the Directors in their absolute discretion may designate the Voting Member, the intention being that there be one Voting Member from each residential property in respect of which a separate certificate of title has been issued (including a condominium unit), and from each commercial development in respect of which a separate certificate of title has been issued, in the Summerside Lands;
- (h) Membership is not transferable by a Member but is appurtenant to ownership and residence as herein set out;
- (i) Brookfield, as registered owner from time to time:
 - (i) of any residential lot or unit in the Summerside Lands (regardless of whether such lots or units are occupied) before and after the Effective Date, shall be a Homeowner Member; and,
 - (ii) of any commercial development or industrial development in the Summerside Lands before and after the Effective Date, shall be a Commercial Member;
- (j) Notwithstanding anything else in these Articles:
 - (i) From and after the Effective Date (but not prior to the Effective Date), Homeowner Members, Commercial Members and Rental Members shall have the right to vote at any meetings of Voting Members;
 - (ii) Prior to the Effective Date (but not thereafter), Brookfield shall be the sole Voting Member entitled to vote at any meetings of Voting Members, and shall therefore itself constitute a quorum for Members' meetings.

5.

REGISTER OF MEMBERS

- (a) A register of Homeowner Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Homeowner Members. The Register shall be amended from time to time so that all Homeowner Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. If permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF RENTAL MEMBERS AND TENANT MEMBERS

- (b) A register of Rental Members and Tenant Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Rental Members and their tenants who by properly complying with the requirements of membership become Tenant Members. The Company shall

attempt to establish a workable procedure whereby it is notified when Tenant Members cease to be tenants of a rental project located in the Summerside Lands. The register shall be amended from time to time so that all Rental Members and Tenant Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. If permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF FAMILY MEMBERS

- (c) A register of Family Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. If permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF COMMERCIAL MEMBERS

- (d) A register of Commercial Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Commercial Members. The register shall be amended from time to time so that all Commercial Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. If permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

MEMBERSHIP CARDS

- (e) Every Member may be periodically issued a membership card as determined by the Directors. The membership cards shall remain the property of the Company. If a membership card is lost it shall be replaced by the Company, provided however that there may be charged a fee as set by the Board from time to time as a condition to delivery of such replacement membership card.

SPECIAL PROVISIONS RELATING TO SUMMERSIDE AMENITIES

6.

- (a) Subject to a suspension of rights pursuant to Article 6(b)(i) or (ii) below, Commercial Members shall only be entitled to the use of the Summerside Amenities for business purposes (including business meetings, employee meetings and employee social functions) at times approved by the Company, such approval not to be unreasonably withheld, and for such fees as the Company determines acting reasonably.

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

For clarity, notwithstanding any suspension, Members shall still be responsible for the payment of the annual rental charge, and any other fees, dues, deposits or other sums owing to the Company.

- (c) Members shall at all times comply with the Rules and act responsibly with respect to the Summerside Amenities, it being recognized that the maintenance and appearance of the Summerside Amenities is for the benefit of the Company and all its Members.
- (d) The Company's Board, in accordance with the provisions of these Articles, may from time to time amend the Rules. The Directors shall cause the Company to forthwith notify all Members of any such amendments.
- (e) The Rules shall always be subject to the terms of each of the following:
 - (i) those registered restrictive covenants generally in the form of Schedule I to the Summerside brochure; and
 - (ii) those registered easements generally in the form of Schedule H to the Summerside brochure.

MEMBERS' MEETINGS

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

8.

- (a) The general meetings referred to in the preceding clause shall be called annual general meetings, and all other meetings of the Company shall be called special general meetings.
- (b) Meetings of the Company may be held in person (in which case they shall be held in the City of Edmonton, in the Province of Alberta) or, to the extent permitted by law, via videoconference, audioconference or other electronic means provided all persons participating in the meeting can hear each other. Members who attend a meeting via videoconference, audioconference or other electronic means shall be deemed to be present in person at that meeting. The manner in which a meeting shall be held shall be determined by the Directors.

- (c) No Family Members shall be entitled to notice of or to attend any meeting, general, special or otherwise of the Company; and
- (d) Only Voting Members shall be entitled to vote on, or propose, or second resolutions at meetings of the Members.

9. The Directors may, whenever they think fit, proceed to convene a special general meeting of the Company.

10. Where it is proposed to pass a special resolution, such notice as is required to be given by the *Companies Act* (Alberta), and in all other cases at least ten (10) days' notice specifying the day, hour and place of every Voting Members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provided on the Voting Members registered in the Members' register at the time such notice is served or if a record date has been fixed by the Directors, on the Members registered in the Register of Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the Members may be held for any purpose, at any time and at any place without notice, if all the Voting Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Voting Members shall have signified their assent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any Voting Member or the duly appointed proxies of a Voting Member. It shall not be necessary to give notice of any adjourned meeting.

11. Irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Voting Member or Voting Members, shall not invalidate any resolution passed or any proceedings taken at any meeting and shall not prevent the holding of such meeting.

PROCEEDINGS AT MEMBERS' MEETINGS

12. All business shall be deemed special that is transacted at a special general meeting. All business shall be deemed special that is transacted at an annual general meeting, with the exception of consideration and approval of the financial statements and the ordinary report of the Directors, auditors, and other officers, the election of Directors, the appointment of auditors, the fixing of the remuneration of the auditors and the transaction of any business which under these Articles ought to be transacted at a general meeting. Special business or a special resolution may be passed at an annual general meeting provided the requisite notice has been given.

13. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, the lesser of twenty (20) Voting Members or ten percent (10%) of the Voting Members, either personally present or represented by proxy shall be a quorum.

14. The president, or in his absence the vice-president (if any), shall be entitled to take the chair at every general meeting, or if there be no president or vice-president, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Voting Members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Voting Members present shall choose one of their number to be chairman. The chairman at any meeting of Voting Members may appoint one or more persons to act as scrutineers.

15. If within twenty (20) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time

and place; and if at such adjourned meeting a quorum is not present, the Voting Members personally present or represented by proxy shall be a quorum.

16. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise have a casting vote in addition to the vote to which he may be entitled as a Voting Member.

17.

(a) At any meeting unless a poll is demanded by the chairman or by ten percent (10%) of the Voting Members present, a declaration by the chairman that a resolution has been carried or carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(b) If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

18. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

19. On a show of hands or otherwise as the chairman may direct, every Voting Member present in person, including the proxy or representative of a Voting Member, shall be entitled to the number of votes allocated to that Voting Member pursuant to the provisions hereof.

20. Votes may be given either personally or by a nominee appointed by a proxy.

21. A proxy shall be in writing in any effectual form under the hand of the appointer or of his attorney duly authorized in writing, and need not be attested. A person appointed proxy must be a Voting Member.

22. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument.

23. The proxy shall be deposited at the registered office of the Company or such other place as may be specified in the notice of meeting and at a time as the Directors may by resolution fix but not exceeding forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.

24. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no intimation in writing of the death or revocation shall have been received before the meeting at the place where the proxies are to be deposited.

25. No Voting Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Voting Member at any general meeting, or upon a poll, or to be reckoned in a quorum unless such Voting Member is a Member in Good Standing.

BORROWING POWERS

26. The Directors may from time to time at their discretion raise or borrow money:
- (a) from Brookfield without limitation for the purposes of operating the Summerside Amenities;
 - (b) from any person for the purposes of the Company's business in amounts in the aggregate not exceeding ONE HUNDRED THOUSAND DOLLARS (\$100,000) plus the Adjustment Amount, at any one time.
 - (c) from any person for the purposes of capital repairs and replacements in amounts in the aggregate not exceeding TWO HUNDRED THOUSAND (\$200,000) plus the Adjustment Amount, at any one time; and
 - (d) from any other person, for any other purpose and for any other amount provided that such borrowing is authorized by a duly passed ordinary resolution of the Voting Members.

The "Adjustment Amount" as used herein shall mean, in respect of each calendar year after 2020, that sum of money equal to the product obtained by multiplying [the sum of (principal amount referenced in either (b) or (c), as applicable) plus the cumulative total of all prior years' Adjustment Amounts if any] by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, for that year over the previous year. There shall be no adjustment for any decrease from time to time in such index. For greater certainty, the intent of the Adjustment Amount is to reflect the cumulative and compounded increase in the consumer price index as aforesaid, year by year, commencing January 1, 2020.

DIRECTORS

27. The number of Directors shall be not less than three (3) or more than ten (10). Subject to the foregoing and to the provisions of Articles 28 and 30, the number of Directors to be elected at any annual general meeting of Members shall be that number as determined by a majority vote of the Voting Members.

28. The Subscribers shall be the first Directors of the Company and they (or their replacements from time to time as nominated by Brookfield) shall remain as Directors until that date which is the later of:

- (a) the date on which Brookfield has transferred title to the last lands it owns in the Summerside Lands; or
- (b) that date on which all monies loaned by Brookfield to the Company for the initial management of the Summerside Amenities have been fully repaid to Brookfield;

or such other date as Brookfield in its sole discretion may determine.

29.

- (a) The Directors shall have power from time to time and at any time, by majority vote, to appoint any other person or persons as Directors (subject to the provisions of Article 30), to fill a casual vacancy or vacancies to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles.
- (b) Any Director so appointed shall hold office until (i) the next annual general meeting of Members or (ii) the expiration of the term of the vacating Director, whichever is earlier. Any Director so appointed shall be eligible to be elected as a Director at the next annual general meeting of Members.

30. A Director, except for any nominee of Brookfield or any Subscriber, must:

- (a) be a Homeowner Member or a spouse of a Homeowner Member, a Commercial Member, or a Rental Member;
- (b) be a Voting Member or a spouse of a Voting Member;
- (c) be a Member in Good Standing;
- (d) not have been convicted of an offence described in Article 34(f) for which a pardon has not been granted; and
- (e) not be an undischarged bankrupt.

31. No two or more Family Members may be Directors at the same time.

32. The Directors shall not be paid out of the funds of the Company by way of remuneration for their services as Directors.

33. A Director may retire from office upon giving five (5) days' notice in writing to the Company of his intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

34. The office of a Director shall automatically be vacated:

- (a) If they are found or become of unsound mind;
- (b) If by notice in writing to the Company they resign their office upon the time hereinbefore fixed for the resignation to take effect or the previous acceptance of the same;
- (c) If they are removed by resolution of the Voting Members, as hereinafter provided;
- (d) If they cease to qualify under Article 30;
- (e) If they become bankrupt;
- (f) If they are convicted of an offence under the *Criminal Code* (Canada), and either:

- (i) the crown prosecutor in the Director's case proceeds way of indictment; or
 - (ii) the offence involves fraud or dishonesty;
- (g) If they are concerned with or participated in the funds or the benefits of any contract with the Company without providing disclosure of their interest and/or without recusing themselves from any discussion or vote in compliance with the provisions of the *Companies Act* (Alberta);
- (h) If they are found to be in violation of the standards of conduct outlined in any code of conduct for Directors established by the Board, in accordance with the procedures set out therein;
- (i) If he or she is absent, without permission of the Board, from three (3) consecutive Board meetings or from four (4) or more Board meetings in any twelve (12) month period;
- (j) if they become party to any litigation opposite the Company.

35. A Director shall not be disqualified solely by his office as a Director from holding any other office with the Company and from contracting with the Company either as a vendor, purchaser or otherwise howsoever, but such Director must comply with the provisions of the *Companies Act* (Alberta) regarding conflicts of interest.

36. Every Director and officer of the Company in exercising the Director's or officer's powers and discharging the Directors or officer's duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) comply with all applicable privacy law including without limitation the *Personal Information Protection Act* (Alberta);
- (d) in addition to their obligations under Article 35, declare any real, potential or perceived conflicts of interest (including any participation with or in an organization related to or doing business with the Company) and recuse themselves from any discussion or vote on the matter;
- (e) except where disclosure is required by law, maintain confidentiality in connection with Board matters, records, discussions and materials;
- (f) advise the Board if they become aware that they are no longer in compliance with any requirement, or if they are in violation of any obligation, pursuant to these Articles (including, without limitation, Article 30) or pursuant to any code of conduct for Directors established by the Board.

37. Every Director is required to consent to the collection, use and disclosure of their personal information for the purpose of conducting criminal record checks, vulnerable sector checks, and bankruptcy and insolvency checks, and shall provide any information or written consents necessary to effect the foregoing. The Board shall have the right to conduct such searches at any time, acting reasonably, while a Director serves on the Board.

38. Subject to Articles 28, 33 and 34, each elected Director shall serve on the Board for a term of two years. Notwithstanding the foregoing, to ensure continuity of knowledge, at the annual general meeting in 2020 only, 50% of the elected Directors shall be appointed to serve for a one year term, and 50% of the elected Directors shall be appointed to serve for a two year term. The Directors who are elected to the Board at the annual general meeting in 2020 who previously served on the Board (incumbents) shall be entitled to hold the two year term positions, provided that:

- (a) if more than 50% of the Directors elected at the 2020 annual general meeting are incumbents, a random draw shall be conducted of the incumbents to determine which incumbent Directors shall hold the two year term positions. Any incumbent Directors whose names are not drawn shall hold one year term positions; and
- (b) if less than 50% of the Directors elected at the 2020 annual general meeting are incumbents, then a random draw shall be conducted of the non-incumbents to determine which non-incumbent Directors shall hold the remaining two year term positions. Any non-incumbent Directors whose names are not drawn shall hold the one year term positions.

39. At the first annual general meeting and at every succeeding annual general meeting, all of the Directors whose term has expired, howsoever appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his successor is elected. If at any general meeting at which an election of Directors ought to take place, no such election takes place, the retiring Directors shall continue in office until the annual general meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of Directors.

40. The Voting Members at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be Directors, or in case any change in the number of Directors is made at any such meeting, by electing the number of persons to be Directors as required by these Articles. If the Voting Members fail to elect the minimum number of Directors required by the Articles, the Directors may appoint any other person or persons as Directors in accordance with Article 29 and Article 49.

41. The Voting Members may, by special resolution, at any time remove any or all of the Directors before the expiration of his or their period of office and by ordinary resolution appoint another or other qualified person or persons in his or their stead; and the person or persons so appointed shall hold office during such time only as the Director or Directors in whose place he is or they are appointed would have held the same if he or they had not been removed.

REGISTER OF DIRECTORS AND MANAGERS

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

43. Every Director is required to consent to the collection, use and disclosure of their name, address and occupation to be placed on the applicable register and on all such documentation required for the Registrar of Corporations for the purposes of corporate

governance and matters pertaining to the management and operation of the Company and the Summerside Amenities.

PROCEEDINGS OF DIRECTORS

44. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, and may declare the quorum necessary for the transaction of business, but until the Directors make such determination, one-half of the Directors shall be a quorum.

45. Subject to the provisions of Article 46, meetings of the Board of Directors shall be held in the City of Edmonton, in the Province of Alberta unless all the Directors otherwise agree. The Directors may make regulations in regard to the manner and time that notice shall be given of such meetings. Until such regulations are made, meetings of the Board may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence; and notice of any meeting where notice has not been dispensed with, delivered, mailed, telegraphed or telecopied to each Director at his ordinary address two (2) days prior to such meeting, shall be sufficient notice of any meeting of the Directors. In computing such period of two (2) days the day on which such notice is delivered, mailed, telegraphed or telecopied shall be included, and the day for which notice is given shall be excluded. Notice of any meeting, or irregularity in any meeting or in the notice thereof, may be waived by any Director. The Directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place than the entry of such resolution upon the minutes of the meeting at which it was passed shall be necessary. Immediately upon the conclusion of the annual general meeting a meeting of the Directors shall be held and no notice of such meeting shall be necessary.

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

47. The President may, or the Secretary shall at the written request of not less than twenty-five (25%) percent of the Directors, at any time convene a meeting of Directors.

48. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.

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

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

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

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

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

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

55. A resolution in writing, signed by all the Directors (which may be executed in several counterparts), including by means of electronic signatures pursuant to the requirements of the *Electronic Transactions Act* (Alberta), without their meeting together, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, and shall be applicable as at the date stated therein as the effective date thereof.

MINUTES

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

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

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

POWERS OF DIRECTORS

57. Subject to Articles 58 and 59 below, the management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Voting Members in general meeting;

and without restricting the generality of the foregoing the Directors shall exercise general supervision of the affairs of the Company and may from time to time make rules and regulations in relation to the Company, and may at any time in like manner annul or vary any rules and regulations so made, and all rules and regulations so made and for the time being in force shall be binding on the Members, and shall have full effect accordingly; and without limiting the generality of the foregoing it is expressly declared that the following shall be deemed to be included as rules and regulations in relation to the Company within the meaning of this clause, that is to say, regulations:

- (a) As to proof required from persons claiming to be eligible to be Homeowner Members, Family Members, Rental Members, Commercial Members and Tenant Members;
- (b) As to the rental charges to be payable by the Members including whether same will be payable annually, quarterly or otherwise, and the amounts thereof, subject to Article 71(f);
- (c) As to visitors and guests;
- (d) As to the manner in which use of the Summerside Amenities by Members may be suspended or terminated.
- (e) As to the use of the Summerside Amenities by Members; and
- (f) As to committees of Members in connection with the management of the Company, and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of members of such committees.

TEMPORARY REMOVAL OF OFFICERS' AND DIRECTORS'
AUTHORITY AND RESPONSIBILITIES

58. The Summerside Amenities will be negotiated, designed, engineered and planned by Brookfield and/or by the Company. Brookfield has also agreed to be responsible for the overall management of the Company and the operation of the Summerside Amenities for a limited period of time and to, within a certain specified period of time, transfer the overall management of the Company and the operation and management of such Summerside Amenities to the Company providing that the Company does not hinder its efforts or increase the development, construction, management and operating costs for the Company or the Summerside Amenities by becoming involved in, investigating or interfering in or trying to exercise any authority or control in the overall management of the Company or in the development, construction, management and operation of the Summerside Amenities. The Company has agreed to this condition and in order to relieve its officers and directors from any responsibility that they may otherwise have in the proper exercise of their responsibility to protect the interests of the Company and its Members and any alleged resulting breach of fiduciary obligations, until the operation and overall management of the Company and the Summerside Amenities have been formally transferred to the Company by Brookfield, the powers of the officers and directors of the Company to manage the business and affairs of the Company are hereby temporarily restrained and are transferred to Brookfield and such officers and directors are hereby released from such duties and from any liability for failure to otherwise exercise such duty insofar as such duty relates in any way to the investigation of, determination of and enforcing of the proper and adequate quality of design, engineering, planning, development, construction, maintenance and operation of the Summerside Amenities or overall management of the Company. Except as set out above, such officers and directors shall

retain their normal and usual rights, duties and responsibilities and will on a limited basis as requested by Brookfield be involved in the operation of the Company and the Summerside Amenities.

59. It is hereby disclosed to all Members that Brookfield is a Member of the Company and employees of Brookfield may also be directors and officers of the Company. All Members of the Company do hereby unanimously agree to the provisions of Article 58 above and do hereby unanimously and entirely release Brookfield, the Company and the directors and officers of the Company from the legal results of any conflict that they or Brookfield may otherwise be in as a result of Brookfield and the Company entering into an agreement for the initial overall management of the Company and for the development, the initial management of, and delivery of the Summerside Amenities to the Company including from the legal consequences of the directors and officers of the Company being partially restrained from and being partially released from their normal and usual rights, duties and responsibilities as provided for in Article 57 above.

OFFICERS

60. The officers of the Company shall consist of the Executive Officers and such other officers as the Directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such powers as are usually incidental to such offices.

61. The president shall be elected by the Board from among their number, and shall have served one full term on the Board prior to being elected to this position. If there are no Directors with the requisite experience (and who are willing to act as president), a Director who has served one full year on the Board shall be eligible to be elected as president. The vice president, secretary and the treasurer or secretary-treasurer of the Company shall be appointed by the Board. The Board may appoint an assistant secretary, who shall be empowered to act in the absence of or under the direction of the secretary in the performance of the duties of the secretary. The Directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these Articles be deemed to be the officer for the position he occupies.

62. Any Executive Officer of the Company shall be entitled to attend any meeting of Members.

SEAL

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

NO DIVIDENDS

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

RESERVES AND FUNDS

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

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

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

OPERATING COSTS OF COMPANY

68. The Directors shall implement a procedure to monitor and to determine the costs of operating the Company and the Summerside Amenities, and, without limitation, shall prepare for each fiscal year a detailed operating budget for the Company.

69. Not later than thirty (30) days prior to the commencement of each fiscal year of the Company, the Directors shall determine the net amount of these costs (after deduction of all anticipated other revenue, if any).

70. The Directors shall then determine the assessment rate of the annual rent charge for Homeowner Members, Rental Members and Commercial Members, in accordance with the following provisions:

- (a) each Homeowner Member's annual assessment for each residential unit (including a condominium unit) shall be the same except that:
 - (i) the annual assessment for units on or within Lake Access Lots shall always be 58 1/3% of the annual assessment for those on or within Lakeshore Lots; and
 - (ii) the annual assessment for units on or within Standard Lots shall always be 41 2/3% of the annual assessment for those on or within Lakeshore Lots.

- (b) the annual assessment for each Rental Member shall be equal to the annual assessment for each Homeowner Member multiplied by the number of units in that Rental Member's rental project, subject to the same ratios as specified in (a) above depending on whether the rental project is situate on a Lakeshore Lot, Lake Access Lot or Standard Lot. Tenant Members will not be required to pay a separate assessment if the Rental Member in respect of their rental project has paid the full assessment due from that Rental Member;

- (c) the annual assessment for each Commercial Member shall be equal to 50% of the assessment for each Standard Lot Homeowner Member's residential unit, multiplied by the number of acres of land in that Commercial Member's commercial site (expressed to the nearest hundredth of an acre).

71. If the Member's assessments as aforesaid which are actually received, together with the Company's other sources of revenue, if any, do not result in sufficient income to pay the costs of the Company, then the Directors shall increase its available cash in the following manner:

- (a) if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) they shall present a full report on the operating cash deficiency to the next annual meeting of the Company together with their recommendations for increasing the income of the Company including if so determined by the Directors increasing the annual rental charges to the Homeowner Members, the Rental Members, the Commercial Members and the Tenant Members;
- (c) if they determine that addressing such deficiency should not await the next ensuing annual meeting, they shall call a special meeting of the Company to consider the matter;
- (d) subject to (f) hereof, any increase in the principal amount of the Encumbrances (excluding any inflation adjustment as provided therein) must be approved by a majority of votes cast by Voting Members at a meeting of the Company and shall only be increased in the same ratio that then existing Encumbrances have one to another at the time of the meeting;
- (e) all of the Members shall be bound by the decision of the Voting Members passed in accordance with these Articles and the Homeowner Members, Rental Members and Commercial Members agree to the amendment of their Encumbrance in accordance with the decision of such meeting;
- (f) while Brookfield is a Member any change in the annual rental charge or in the principal amount of the Encumbrances (excluding any inflation adjustment as provided therein), shall require the prior written consent of Brookfield; and
- (g) if any Encumbrance has been foreclosed off of the title to the lot of a Member or has otherwise been taken off such title or if pursuant to a meeting of the Members, it has been agreed to register a new Encumbrance or a caveat giving notice of the change, the Homeowner Member, Rental Member or Commercial Member agrees either to enter into any requested new Encumbrance to be registered against the title to his property or agrees to the filing of a caveat as referred to above and if he delays, fails, or refuses to complete the new Encumbrance the Company is hereby irrevocably appointed as his attorney on his behalf and for the Company's use and benefit, to sign and deliver such new Encumbrance in his place and stead.

72. Notwithstanding the foregoing or anything else in these Articles, the Directors shall cause the Company to execute and deliver an absolute postponement (in a form registrable under the *Land Titles Act* (Alberta)) of any Encumbrance in favour of a mortgage on a single family residential lot (including any single residential condominium unit) in the Summerside Lands, upon the Company receiving a written request therefor from the mortgagee or mortgagor under such mortgage, or from their respective legal representatives; PROVIDED THAT:

- (a) this requirement to postpone shall only apply if the mortgage has been granted or made pursuant to the *National Housing Act* (Canada) or any act passed or enacted in amendment thereof or substitution therefor; and
- (b) if the Directors so determine, they may cause the Company to provide a postponement only on the condition that such postponement contains a covenant of the mortgagee to ensure that such Encumbrance is not discharged from the title to the said lot in the event of any foreclosure or similar process under such mortgage.

ACCOUNTS

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

74. The books of account and accounting records shall be kept at the registered office of the Company or, subject to the limitations of the *Companies Act* (Alberta) in this regard, at such other place or places as the Directors think fit, and shall be open to inspection of the Directors.

75. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, or any of them shall be open to the inspection of any of the Members not being Directors, and none of the Members (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.

76. The Directors shall lay before each annual meeting of the Voting Members financial statements and the report of the auditor to the Voting Members thereon. The financial statements shall:

- (a) be approved by the Board of Directors and signed by two (2) of them;
- (b) be for a period that ended not more than six (6) months before the annual meeting;
- (c) be subject to the provisions of the *Companies Act* (Alberta) and contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year preceding it; and
- (d) be made up of:
 - (i) a statement of profit and loss for each period,
 - (ii) a statement of surplus for each period,
 - (iii) subject to the provisions of the *Companies Act* (Alberta), a statement of source and application of funds for each period, and
 - (iv) a balance sheet as at the end of each period with each statement containing the information required by the *Companies Act* (Alberta) to be disclosed in such statements.

77. Subject to the provisions of the *Companies Act* (Alberta), a copy of the financial statements and a copy of the auditor's report shall be sent to each Voting Member, by prepaid post, ten (10) days or more before the date of the annual meeting.

78. Subject to the provisions of the *Companies Act* (Alberta), a comparative six-month interim financial statement shall be sent to each Voting Member, as required by the *Companies Act* (Alberta).

NOTICES

79. Any notice may be served by the Company on any of the Members either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Member or by delivering it by prepaid courier to such person at his street address as the same appears in the books of the Company, or by transmitting it electronically to the Member at an electronic address provided by the Member, in accordance with the *Electronic Transactions Act* (Alberta), or if no address of the Member is given in the books of the Company, to the last address of such person known to the secretary. If no address is known to the secretary a notice posted up in the registered office of the Company shall be deemed to be well served on such person upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into one of Canada Post Corporation's letter boxes.

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

81. The signature on any notice to be given by the Company may be written, stamped, typewritten, printed or produced by such electronic means as may fulfill the requirements of the *Electronic Transactions Act* (Alberta) or as otherwise permitted by law, or partly written, stamped, typewritten, printed or produced by such electronic means as may fulfill the requirements of the *Electronic Transactions Act* (Alberta) or as otherwise permitted by law.

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

83. A certificate of the secretary or other duly authorized officer of the Company in office at the time of the making of the certificate as to the facts in relation to the mailing or transmitting or delivery or posting up of any notice to any Member, Director or officer or publication of any notice, shall be prima facie evidence thereof and shall be binding on every one of the Members, and a Director or officer of the Company, as the case may be.

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

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

RECORD DATE

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

INDEMNITY

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

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

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

DATED at the City of Edmonton, this ____ day of _____, 2020.

Summerside Residents Association

Carma has incorporated the Summerside Residents Association (the "Association") as the residents' association which will be responsible for the maintenance of certain amenities, and in some cases, ownership of those amenities, located in the Summerside Lands. The Association may also be responsible for the enforcement of the architectural controls referred to above.

The Association will also provide certain financial and administrative services including the collection of fees from the residents of the Summerside Lands. These fees are necessary to fund the operations of the Association and the maintenance and operation of the amenities. The operations of the Association may be expanded to include other functions which are of common benefit to members.

The owners of single family and multi-family residential lots (including condominium units), multi-family rental projects and commercial developments within the Summerside Lands, are all automatically members of, and are required to remain members of, the Association and will be responsible for the timely payment of membership fees to the Association as hereinafter set forth. A copy of the Memorandum of Association and Articles of Association of the Association are attached to this brochure as Schedules B and C respectively.

The schedules which form a part of this Brochure are the following:

Schedule A	Summerside Management Agreement
Schedule B	Summerside Residents Association Memorandum of Association
Schedule C	Summerside Residents Association Articles of Association
Schedule D	Standard Encumbrance
Schedule E	Lakeshore Encumbrance
Schedule F	Lake Access Encumbrance
Schedule G	Lakeshore Restrictive Covenant
Schedule H	Walkway Easement
Schedule I	Lake Vicinity Restrictive Covenant
Schedule J	Lake and Beach Club Restrictive Covenant

Schedule K Rules and Regulations

Description of Summerside Amenities

Carma at its separate cost is in the course of constructing and developing, and will be constructing and developing, certain amenities (the "Summerside Amenities") within the Summerside Lands, presently anticipated to consist of a lake, a beach club, private walkways connecting directly to the lake ("Walkways"), community entranceway features, neighbourhood parks and such other amenities situate on public and private lands as Carma may determine in the course of developing the Summerside Lands.

Carma may, at its sole discretion in its future planning and development of the Summerside Lands, provide at Carma's separate cost additional amenities as part of the Summerside Amenities. The location, character, nature of improvements on, and final acreage and boundaries of, the Summerside Amenities are subject to the approval of the City and other regulatory authorities, and also subject to negotiations between Carma and the City and, possibly, other developers of lands within the Summerside Lands.

It is anticipated that the residents and other owners of land within the Summerside Lands may wish to create further amenities or improvements for the benefit of the Summerside Lands and its residents (in addition to the Summerside Amenities), but unless it agrees otherwise, Carma shall have no responsibility for the development or operation of any such further amenities or improvements.

Carma will attempt to have the title to each lakeshore residential lot and site (a "Lakeshore Lot") within the Summerside Lands be made subject to a restrictive covenant generally in the form of Schedule G to this brochure, so as to enhance the appearance of the lake forming part of the Summerside Amenities. Carma will also attempt to have the title to each residential lot that is adjacent to a Walkway (a "Lake Access Lot") within the Summerside Lands, to receive the benefit of and be made subject to an easement generally in the form of Schedule H to this brochure, so as to provide access from the Lake Access Lots over such Walkways. Those residential lots and sites within the Summerside Lands that are neither Lakeshore Lots nor Lake Access Lots, are referred to as "Standard Lots" in this brochure. Carma may also, in its discretion, have certain lots in the vicinity of the Lake be made subject to a restrictive covenant generally in the form of Schedule I to this brochure.

Carma will also attempt to have the title to such lake and beach club within the Summerside Lands be made subject to a restrictive covenant generally in the form of Schedule I to this brochure, so as to preserve the use of the lake and beach club as an amenity for the benefit of all members of the Association.

The Association will assume responsibility for the Summerside Amenities and, if the Association so wishes, for the enhanced maintenance of certain publicly owned lands within the Summerside Lands including, but not limited to, public parks, public utility lots and boulevards. This may include arrangements with the City or others relating to such maintenance. The management, and where applicable the ownership, of the Summerside Amenities will be transferred to the Association in accordance with the terms of the

Summerside Management Agreement attached as Schedule A hereto. The use and enjoyment of the Summerside Amenities will also be subject to the rules and regulations contained in Schedule J hereto, as such rules and regulations may be modified from time to time by the Association.

Carma will use its best efforts to carry out the above commitments; however, its ability to do so and the timing of their completion are subject to receiving all required governmental and City approvals, and any events beyond Carma's reasonable control which may delay such completion.

The Association's minimum maintenance and indemnity obligations in respect of that part of the Summerside Amenities located on public lands to be transferred to the City may be the subject of agreements to be concluded between the City and Carma, which will be assumed by the Association at Carma's direction.

Operation of the Summerside Residents Association by Carma

On or before the later of the date on which Carma has sold its last lands in the Summerside Lands, or the date upon which the Association has repaid any loans owing to Carma, Carma intends to transfer to the Association the overall management of the Association and the operation of the Summerside Amenities. As long as Carma is managing the Association, an operating budget so as to allow for its proper operation, as determined in the sole opinion of Carma, shall be approved by Carma and if such operating budget is not fully funded by the income received from the Encumbrances or any other sources of income available to the Association, Carma agrees to loan sufficient funds to the Association, on normal commercial terms, in order to meet such budgeted expenses. Any income received by the Association in excess of actual operating expenses shall forthwith be used by it to repay any outstanding Carma loans.

Carma will operate, maintain and manage the Summerside Amenities until it has fully transferred the overall management of the Association. As set forth in the Summerside Management Agreement attached hereto, Carma shall be entitled to retain agents for the administration, operation and overall management of the Association and the Summerside Amenities. Except for reimbursement for its direct costs and out of pocket expenses, Carma will not be entitled to any fees for such operation and management.

Encumbrances

To pay for the operations of the Association, including the operation and maintenance of the Summerside Amenities, Carma will attempt to have the title of each single family and multi-family residential lot, rental project, condominium unit, and commercial development in the Summerside Lands be made subject to a rent charge Encumbrance in favour of the Association, securing payment to the Association of a fee. In the case of Standard Lots comprised of single family units, multi-family rental projects or condominium units, the Encumbrance will generally be in the form of Schedule D to this brochure and the amount of such Encumbrance for each such lot or unit shall be TWO

HUNDRED FIFTY DOLLARS (\$250.00) per year, subject to adjustment for inflation as provided in the Encumbrance. In the case of Lakeshore Lots comprised of single family units, multi-family rental projects or condominium units, the Encumbrance will be generally in the form of Schedule E hereto and the amount of such Encumbrance for each such lot or unit shall be SIX HUNDRED DOLLARS (\$600.00) per year, subject to adjustment for inflation as provided in the Encumbrance. In the case of Lake Access Lots comprised of single family units, multi-family rental projects or condominium units, the Encumbrance will be generally in the form of Schedule F hereto and the amount of such Encumbrance for each such lot or unit shall be THREE HUNDRED FIFTY DOLLARS (\$350.00) per year, subject to adjustment for inflation as provided in the Encumbrance. In the case of any commercial developments, the amount of such encumbrance shall be calculated on the basis of ONE HUNDRED TWENTY FIVE DOLLARS (\$125.00) per year for each acre of land, subject to adjustment as provided in the encumbrance. The Association may in any year choose to charge an amount of fees other than that provided for in the Encumbrance. The undersigned agrees to require any purchaser or transferee of the undersigned's lands in the Summerside Lands to assume all the undersigned's obligations under this Brochure (including the Schedules hereto) and to execute in favour of the Association an Encumbrance in like form of Schedule D, Schedule E or Schedule F as applicable, as a condition to any such purchase or transfer. The payment of annual fees, and membership in the Association, are more fully explained in the Association's Articles of Association which are attached as Schedule C to this brochure.

Acknowledgments by Purchaser

The undersigned acknowledges and is aware that, pursuant to the Summerside Management Agreement, Carma has undertaken the full responsibility for the design, engineering, development and construction of and the initial management and operation of the Summerside Amenities, and the initial overall management and operation of the Association, and Carma has the complete and unfettered right and authority from the Association to carry out such responsibilities in such manner as it sees fit. The undersigned acknowledges that the Association (as set out in Articles 54 and 55 of its Articles of Association) has instructed its officers and directors to fully cooperate with Carma and has relieved its officers and directors of any responsibility to investigate or to determine whether or not Carma is properly carrying out its obligations as set out above.

The undersigned, as a future member of the Association, acknowledges and unanimously agrees with all other members or future members that, as set out in Articles 54 and 55 of the Association's Articles of Association, it is intended and he or she agrees that the officers and directors of the Association should fully cooperate with Carma and that all of their rights, duties and obligations that conflict with Carma's rights as set out in the Summerside Management Agreement, or any other agreement with Carma, are and have been suspended during the period of Carma's initial operation of the Association, including the period of development, planning, construction and initial operation of the Summerside Amenities, except to the extent required in order for them to carry out such cooperation.

No member of the Association or any property owner shall have any personal or legal interest in the Summerside Amenities or in any part thereof or to the proceeds of the

said encumbrances other than as a member of the Association. As well, a member's right to membership in the Association is not transferable and it only takes effect and is enforceable for so long as he or she remains an owner or tenant of such residential lot or condominium unit, or owner of such a rental project or commercial development, which is located in the Summerside Lands.

The undersigned is the purchaser of:

Lot , Block , Plan

in the Summerside Lands against which the Encumbrance is or will be registered, and the undersigned agrees to pay _____ DOLLARS (\$.00) each year hereafter, subject to adjustment, as required by the Encumbrance or such other fee as may be charged by the Association in accordance with the provisions of the Association's Articles of Association. The undersigned hereby irrevocably appoints the Association as his or her attorney on his or her behalf and for the Association's use and benefit, to execute and deliver a new rent charge Encumbrance generally in the form of Schedule D, Schedule E or Schedule F hereto, as applicable, in the event that a previous encumbrance has been foreclosed off or otherwise removed from the title to the above-mentioned lot.

This Brochure and the Schedules hereto constitute the entire agreement and understanding between Carma and the undersigned regarding the Association and its Summerside Amenities, and no representations, warranties, covenants or promises have been made by Carma save those herein expressly contained.

As Purchaser(s) of the above lot the undersigned acknowledges having read all of the attachments hereto and agrees to their terms.

Signed by the Purchaser(s) of the above specified lot.

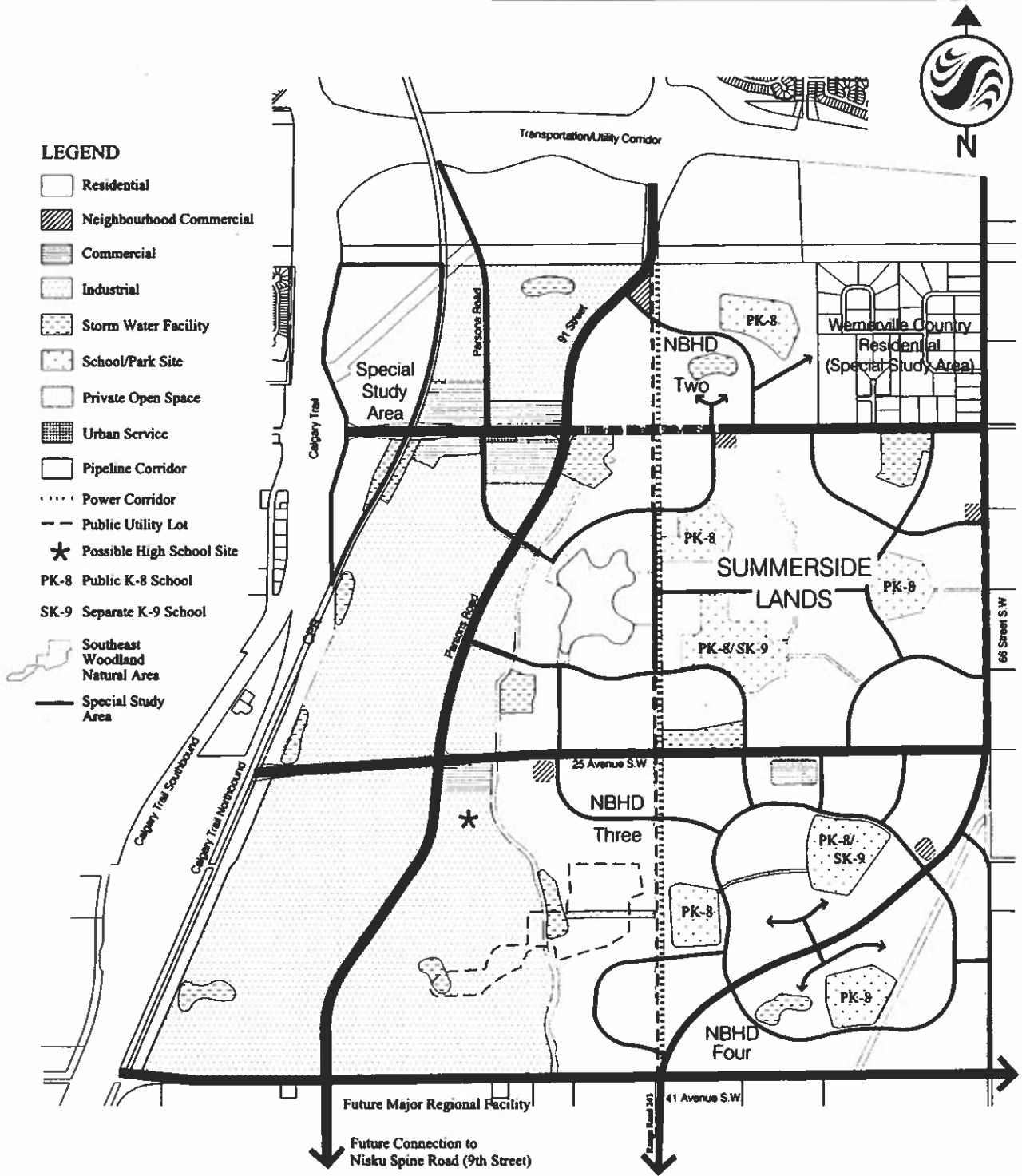
Signed in the presence of

_____)
this _____ day of _____, _____)

_____)
Print Name of Witness

_____)
_____)

_____)
Print name(s) of Purchaser(s)



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Client/Project
 CARMA DEVELOPERS LTD.
 SUMMERSIDE
 RESIDENT'S ASSOCIATION BROCHURE

Title
Schedule 'A'

March, 2001

SCHEDULE A

SUMMERSIDE MANAGEMENT AGREEMENT

THIS AGREEMENT MADE THE _____ DAY OF AUGUST, 2000.

BETWEEN:

CARMA DEVELOPERS LTD., a body corporate incorporated pursuant to the laws of the Province of Alberta (hereinafter called "Carma")

OF THE FIRST PART

- and -

SUMMERSIDE RESIDENTS ASSOCIATION, a body corporate incorporated pursuant to the laws of the Province of Alberta (hereinafter called the "Association")

OF THE SECOND PART

WHEREAS:

A. Carma is the owner of a portion of those lands situated in the south part of the City of Edmonton, Alberta as shown outlined in Exhibit 1 hereto (all such lands as shown on Exhibit 1 hereto, and such other lands in the vicinity of the lands in Exhibit 1 hereto as Carma may in its sole and unfettered discretion determine, are hereafter collectively referred to as the "Summerside Lands");

B. Carma proposes to create residential lots and sites, and commercial sites on the Summerside Lands and to benefit such residential lots and commercial sites by creating certain amenities to be determined solely by Carma (the "Summerside Amenities") on certain portions of the Summerside Lands to be owned by the Association, by the City of Edmonton or by others. The final acreage and boundaries of the Summerside Amenities are subject to the approval of the City of Edmonton and other regulatory authorities;

C. Carma has determined to create and develop the Summerside Amenities with the intention that they be private, and in some cases public, non-profit facilities for the benefit of the residents of the Summerside Lands;

D. The complete development of the Summerside Lands is expected to take a number of years;

E. The Association wishes Carma to fully complete the development of the Summerside Lands and the Summerside Amenities;

F. The Association acknowledges that it has had no part in the planning or the development of the Summerside Amenities, the Summerside Lands, that all the planning has been done by Carma and that the responsibility for developing the Summerside Amenities is Carma's;

G. Carma will attempt to have each of its purchasers sign a copy of The Summerside Brochure setting out the rights and responsibilities of the members of the Association. Attached to and forming part of the Brochure (as Schedule A thereto) is this Agreement and the following additional Schedules:

Schedule B	Summerside Residents Association Memorandum of Association
Schedule C	Summerside Residents Association Articles of Association
Schedule D	Standard Encumbrance
Schedule E	Lakeshore Encumbrance
Schedule F	Lake Access Encumbrance
Schedule G	Lakeshore Restrictive Covenant
Schedule H	Walkway Easement
Schedule I	Lake Vicinity Restrictive Covenant
Schedule J	Lake and Beach Club Restrictive Covenant
Schedule K	Rules and Regulations

which additional Schedules are incorporated in this Agreement and form a part hereof.

H. Carma has caused the Association to be incorporated pursuant to the Companies Act (Alberta) and the Association has been organized pursuant to its Memorandum of Association and Articles of Association for the purposes of the Association ultimately owning (where applicable) and managing the Summerside Amenities, and for such other purposes which are for the common benefit of the Association's members;

I. The parties acknowledge and agree that it is their common intention that the Association will initially be managed by Carma (or its agents as herein set forth) and that the Summerside Amenities will initially be wholly engineered, developed, operated and

managed by Carma (or its agents as herein set forth), and that it is the intention of both parties that the Association will have no responsibility for any portion of the Summerside Amenities, nor have any authority regarding such management of the Association or such engineering, development, operation and management of any portion of the Summerside Amenities, until the date that the management of the Association and of the Summerside Amenities is formally transferred to the Association, all in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the parties hereto covenant and agree as follows:

1. Carma will construct the Summerside Amenities and will equip same with such signs, facilities, lighting, equipment and landscaping as are in Carma's opinion reasonably necessary for the operation of same, all at Carma's cost.
2. Carma shall construct, develop and maintain on portions of the Summerside Lands, such improvements as Carma in its sole discretion shall determine and such improvements shall constitute the Summerside Amenities and, subject to the terms hereof, Carma shall manage and operate the Association and the Summerside Amenities until that date (the "Effective Date") which is the later of:
 - (a) the date upon which Carma has sold its last lands within the Summerside Lands; or
 - (b) the date upon which all monies owed to Carma by the Association have been fully repaid to Carma;

or such earlier date as Carma in its sole discretion may determine.

3. Carma may determine, in its sole discretion, prior to the Effective Date:
 - (a) to transfer management and/or ownership of part of the Summerside Amenities to the Association. It is understood and agreed that Carma's rights in respect of the Summerside Amenities as herein contained shall continue unabated until the Effective Date, notwithstanding its prior transfer of management and/or ownership of part of the Summerside Amenities to the Association; and
 - (b) to transfer certain aspects of the overall management of the Association to the Association.
4. On such date(s) as Carma determines, but in any event by no later than the Effective Date, Carma shall, pursuant to assignment agreements acceptable to Carma, assign to the Association Carma's interest in all agreements entered into between Carma and the City of Edmonton relating to the Summerside Amenities and the maintenance thereof and responsibility therefor, and pursuant to which the Association will assume from Carma all of

its obligations and liabilities under such agreements and will indemnify Carma in respect of same.

5. The registration and organization of the Association has been done at the sole expense of Carma.

6. Carma as the initial owner of all the residential building lots (single family and multi-family), condominium sites and commercial sites in the Summerside Lands will, upon the initial sale by Carma of each such residential building lot, condominium site and commercial site, attempt to cause the same to be encumbered by the Encumbrance substantially in the form of Schedule D to the Brochure to which this Agreement is also a schedule.

7. Until the Effective Date, Carma will either prepare or approve the operating budget for the Association, so as to allow for the proper operation of the Association and maintenance and operation of the Summerside Amenities as determined in the sole opinion of Carma acting reasonably. Such budget shall be considered in determining the Association's annual membership fees.

8. If such operating budget is not fully funded by the Association's income derived from the Encumbrances or other sources, and provided that Carma has in writing approved the amount of the annual membership fees assessed for that fiscal year, then Carma agrees to loan sufficient funds to the Association in order to meet such budgeted expenses, such loans to be repayable on demand and to bear interest from time to time at the rate of Prime Rate plus one percent (1%). "Prime Rate" shall mean the prime rate of interest charged by The Toronto-Dominion Bank, being a variable per annum reference rate of interest (as announced by the said bank from time to time) for Canadian dollar loans made by the said bank in Canada. Any income received by the Association (whether by collection of assessments through the Encumbrances or otherwise) in excess of actual operating expenses shall forthwith be used by it to repay any outstanding Carma loans in priority to any other obligations.

9. It is understood and agreed that either Carma or the Association may refuse membership, or may terminate the membership of those owners of residential building lots, condominium units and commercial sites within the Summerside Lands whose title does not have registered against it the Encumbrance and may require the registration of any such Encumbrance which has been removed from the title to their lot or lands.

10. If by the Effective Date all the residential lots or other lands owned by Carma and located in the Summerside Lands have not been sold by Carma, Carma will be entitled to sell such lots or lands subject to the right of membership in the Association and the Association and shall at that time attempt to obtain the execution and registration of the appropriate Encumbrance as may be determined by Carma.

11. On or prior to the Effective Date, Carma will, for a total nominal consideration of \$1.00, deliver to the Association a bill of sale of all chattels owned by Carma and specifically used to maintain or benefit the Summerside Amenities, and such

other documents as Carma requires to effect the transfer of the Summerside Amenities to the Association.

12. It is understood and agreed that none of the building lots or sites contained in the Summerside Lands shall be subject to an annual rent charge until title thereto has been transferred by Carma to the initial purchaser of such lot or site.

13. On or before the Effective Date, Carma will turn over to the Association all plans, specifications and operating manuals in Carma's possession relating to the management of the Association and the construction, maintenance, operation and management of the Summerside Amenities.

14. Either on the Effective Date or immediately thereafter, Carma will cause all of the officers and directors of the Association which are Carma's nominees to tender their resignations.

15. Carma when and as requested will during a reasonable period after the Effective Date make available to the directors and officers of the Association any relevant information in its possession relating to the management of the Association and the operation of the Summerside Amenities, which information shall be provided without any requirement for Carma to determine the accuracy or relevance of such information, and Carma shall not be liable for the results of the inaccuracy or irrelevancy of such information nor for any damages suffered by the Association in using such information.

16. Until the Effective Date, Carma shall have full and absolute control of the overall management of the Association, including the sole right and obligation to construct, develop, manage and operate the Summerside Amenities, and the Association, and its members, officers and directors shall have no right or entitlement to do or share in any of these functions.

17. The following management provisions shall take effect until the Effective Date:

- (a) the Association hereby employs Carma as the Association's exclusive agent to manage the Association and to operate and maintain the Summerside Amenities to and including the Effective Date without any right of the Association to cancel such management arrangement;
- (b) Carma agrees to perform the management functions set out below in the name of and on behalf of the Association, subject to the terms of this Agreement, and the Association shall not give any direction to Carma, make any investigations or exercise any control of Carma's actions as manager and hereby grants to Carma such complete and absolute authority and power as in Carma's sole opinion may be required by Carma to perform or effect performance of such management function;

- (c) If Carma assists the Association in the collection and receipt of assessments, levies, contributions and any other charges due to the Association from the members of the Association, Carma shall not be responsible for collection of delinquent assessments or other charges;
- (d) Subject to the provisions of and any restrictions contained in this Agreement, Carma shall (until the Effective Date only) cause the Summerside Amenities to be constructed, operated, managed and maintained according to reasonable standards of construction, operation, management and maintenance consistent with the character, size and location of the Summerside Amenities;
- (e) Carma shall negotiate and may execute on behalf of the Association contracts for such services as may be necessary or desirable. Carma shall also either rent or purchase, as it determines is best in its sole discretion on behalf of the Association, such equipment, tools, appliances, materials and supplies as in its sole opinion are necessary for the management of the Association and the operation and maintenance of the Summerside Amenities. All such purchases and contracts may be in the name of Carma or the Association and in any event shall be assumed by the Association as at the Effective Date;
- (f) Carma shall ensure that appropriate corporate and other legal filings and records in respect of the Association and its operations, including financial statements and accounting records, are prepared and maintained;
- (g) Carma and the Association shall cooperate in maintaining liability and property damage insurance relative to the Association in force as provided for in paragraph 18 hereof; PROVIDED that the Association will indemnify and hold harmless Carma from any loss, costs or damages arising out of any claim, suit or action made by any of its members or their guests whomsoever, relating to either claims greater than such insurance or to claims where there is inadequate insurance coverage;
- (h) Carma shall, based on the information and documents made available to it, assist the Association in keeping an up-to-date record of the names and addresses of all members of the Association of which it has knowledge;
- (i) subject to the provisions of this Agreement, the Association shall not pay any fee to Carma as compensation to it for the services to be rendered by Carma in accordance with this Agreement, but any charges for employees or professional managers employed by Carma to assist in its management function hereunder shall be paid for by the Association to Carma on demand, and this may include persons whose firms or groups are also employed by Carma regarding the Summerside Lands; and
- (j) Carma may engage or use any person, firm or company including any which is associated, affiliated or otherwise connected with it, to perform any work or services for Carma within the scope of Carma's duties pursuant to the terms

and conditions of this Agreement, without being in breach of a fiduciary or contractual relationship with the Association.

18. Carma shall provide and maintain in full force and effect during the term of this Agreement with responsible insurance companies, the following insurance:

- (a) Such general comprehensive liability insurance of such nature and in such amount as Carma shall deem advisable protecting Carma and the Association relating to the operation of the Association including the development, construction of and initial management and operation of the Summerside Amenities in respect of liability and/or damage because of bodily injury and injury to or destruction of property arising out of such activities. Such insurance shall contain a cross liability clause;
- (b) The Association shall pay to Carma to reimburse it for its actual costs in obtaining and maintaining such insurance, and where such insurance is part of Carma's overall insurance, then the Association shall pay its fair share of such insurance costs as determined by Carma's insurance brokers.

19. At any time before the Effective Date and notwithstanding anything else contained in this Agreement, Carma shall be entitled to enter into management agreements in its name or in the name of and on behalf of the Association with any person, firm or company (including any which is associated, affiliated or otherwise connected with Carma or the Association) for the administration, operation and management of the Association and the Summerside Amenities.

20. This Agreement shall be non-assignable by the Association without the prior written consent of Carma, which consent may, in Carma's sole and unfettered discretion, be withheld. This Agreement shall be assignable by Carma without the prior consent of the Association.

21. If the Association breaches its obligations as set out herein to not interfere with Carma's designing, engineering, planning, developing, constructing and initially managing and operating the Summerside Amenities and initially managing the Association, it shall pay to Carma all of Carma's costs resulting therefrom and damages suffered thereby including but not limited to the costs to Carma of all additional time spent by its employees, all additional costs of professional advisors, additional design, engineering, planning, development, construction, management and operational costs and the damages suffered by Carma resulting from such breach including any delays in completing construction of the Summerside Amenities and in the sale of its undeveloped building lots as contained in the Summerside Lands. The Association confirms its understanding that damages at law may be an inadequate remedy for a breach or threatened breach by it of this Agreement and agrees that in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by an action claiming specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any right or rights at law or by statute or otherwise of Carma as against the Association for breach or threatened breach of any provisions hereof, it being the

intention of this paragraph to make clear the agreement of the parties that the respective rights and obligations of Carma hereunder shall be enforceable in equity as well as at law or otherwise.

22. As the Association has no responsibility or authority with reference to the overall management of the Association and the development and operation of or the Summerside Amenities until the Effective Date, until the Effective Date the Association has directed its officers and directors to not investigate or otherwise determine whether or not Carma is complying with the terms of this Agreement, and the Association has waived any responsibility of its officers or directors to determine whether or not Carma is carrying out its obligations pursuant to this Agreement.

23. It is specifically understood that Carma is an independent contractor and that all its actions to be performed hereunder shall be carried on by Carma under its own direction and superintendents, at its own risk and according to its own methods or procedures.

24. Up to and until the Effective Date, the Association shall take all required steps to maintain its existence and shall execute all documents required by Carma for the organization and management of the Association and for the development, construction, maintenance and operation of the Summerside Amenities and without any legal responsibilities for its actions in so doing.

25. This Agreement and the Exhibits hereto constitute the entire agreement between the parties and no representations, warranties or promises have been made by Carma to the Association save those herein contained.

26. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and each provision hereof shall be enforced to the fullest extent permitted by law.

27. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

28. Amendments to this Agreement must be in writing and signed by each party hereto.

29. This Agreement and all amendments, modifications, alterations or exhibits hereto shall be governed by the laws of the Province of Alberta as to the nature, validity and interpretation thereof.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by their respective proper officers authorized in that behalf on the day and year first above written.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____

**SUMMERSIDE
RESIDENTS ASSOCIATION**

Per: _____

Per: _____

SCHEDULE B

MEMORANDUM OF ASSOCIATION OF SUMMERSIDE RESIDENTS ASSOCIATION

1. The name of the Company is "Summerside Residents Association".
2. The Company is incorporated under Part IX of the *Companies Act* of the Province of Alberta, R.S.A. 1980, c. C-20 as a non-profit corporation.
3. The objects for which the Company is established are:
 - (a) to acquire and take over from Carma Developers Ltd. (the "Developer") or others:
 - (i) the management of certain public community lands, including the management of upgraded landscaping, lighting, and other improvements located on certain public parks, public utility lots, boulevards and other lands to be owned by the City of Edmonton (the "City"); and
 - (ii) the title to and management of certain private amenity lands, including upgraded landscaping, lighting and other improvements located thereon;

and all or any of the equipment, chattels and assets used in connection therewith (such public and private lands, improvements, equipment, chattels and assets are hereafter collectively referred to as the "Summerside Amenities"), which may be situate on portions of the Summerside Lands. "Summerside Lands" means those certain subdivision lands within the Ellerslie Area Structure Plan approved by the City (or other lands in the vicinity thereof as the Developer may in its sole and unfettered discretion determine) and which are:
 - (iii) initially owned by the Developer (or by such other developers as are from time to time approved by the Developer in its sole and unfettered discretion); and
 - (iv) designated by the Developer as the Summerside Lands;
 - (b) to maintain and operate the Summerside Amenities;
 - (c) to enter into agreements with other parties for the collection of assessments against the Company's members and/or the collection of any other revenues to fund the Company's operations and otherwise for the administration of the Company's financial and other affairs;

- (d) to enter into agreements with the Developer or other persons for the administration of the Company's affairs;
- (e) to acquire from the Developer, and possibly other developers within the Summerside Lands, their rights (if any) under each and every rent charge encumbrance and restrictive covenant registered on lands in the Summerside Lands with any and all benefits and advantages to be derived therefrom and to enforce the same;
- (f) to allow the Company, if it so desires, to enter into arrangements with the City or others for the enhanced maintenance of publicly owned lands within the Summerside Lands, including without limitation, the public parks, public utility lots and boulevards within the Summerside Lands;
- (g) to organize events for the benefit of the Company's members and to enter into arrangements with other persons in connection therewith;
- (h) to provide, conduct or administer any other service or undertaking for the benefit of the Company's members or the Summerside Lands (or any portion thereof);
- (i) to enter into arrangements with and cooperate with the City or any community league organization, as the Company desires, to facilitate any of the above objects or activities;
- (j) to carry on any other activity or undertaking whatsoever which can, in the opinion of the Company's board of directors, be advantageously carried on by the Company in connection with or ancillary to the general business of the Company;
- (k) to do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.

5. Each member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributors amongst themselves, such amount as may be required not exceeding \$1.00.

6. The Company shall apply the profits, if any, or any other income of the Company solely in promoting the objects of the Company and no dividend whatsoever or other distribution of the property of the Company shall ever be paid to its members; PROVIDED ALWAYS that nothing herein shall prevent the payment in good faith of

reasonable and proper remuneration to any member or person in return for any service actually rendered to the Company.

7. No additions, deletions, alterations or amendments shall be made to or in the Memorandum or Articles of Association of the Company for the time being in force without the written consent of the Developer, until after the management of the Company and the management of the Summerside Amenities has been transferred by the Developer to the Company pursuant to the Summerside Management Agreement.

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

DATED at the City of Edmonton, in the Province of Alberta, this 28th day of July, 2000.

NAMES, ADDRESSES AND OCCUPATIONS OF SUBSCRIBERS

<u>Subscribers</u>	<u>Occupation</u>	<u>Address</u>
<u>"D.W. Kelly"</u> Douglas W. Kelly	Executive	#1910, 10303 Jasper Avenue Edmonton, Alberta, T5J 3N6
<u>"Louise Gibson"</u> Louise Gibson	Executive	#1910, 10303 Jasper Avenue Edmonton, Alberta, T5J 3N6
<u>"Shaun Cranston"</u> Shaun E. Cranston	Executive	#1910, 10303 Jasper Avenue Edmonton, Alberta, T5J 3N6
<u>"H. Pabst"</u> Witness to the above signatures Print Name: Heinrich (Rick) H. Pabst		#2000, 10235 – 101 Street Edmonton, Alberta, T5J 3G1

SCHEDULE D

SUMMERSIDE ENCUMBRANCE (Standard)

To secure an annual rent charge of TWO HUNDRED FIFTY DOLLARS (\$250.00) plus the Adjustment Amount (as hereinafter defined), pursuant to the Land Titles Act: **CARMA DEVELOPERS LTD.**, as Encumbrancer (hereinafter called the "Owner") being registered as owner of an estate in fee simple in possession, subject however, to such encumbrances, liens and interests as are notified by memorandum endorsed hereon or expressed or implied in the existing certificate(s) of title of that land situate in the Province of Alberta, Canada, being composed of:

[Legal Description of lot]

EXCEPTING THEREOUT ALL MINES AND MINERALS

(hereinafter called the "Lands"), and desiring to render the Lands available for the purpose of securing the rent charge hereinafter mentioned to and for the benefit of Summerside Residents Association (hereinafter called the "Association"), as Encumbrancee, do hereby encumber the Lands in favour of and for the benefit of the Association with the annual rent charge of TWO HUNDRED FIFTY DOLLARS (\$250.00) plus the Adjustment Amount (as hereinafter defined), for each twelve (12) consecutive months commencing the 1st day of January, 2000 to be paid to the Association in lawful money of Canada, at the Association's office at #200, 10414 - 103 Avenue, Edmonton, Alberta, T5J 0J1 (or such other place in the said City as the Association may from time to time or at any time designate in writing) on or before the 1st day of January in each and every year thereafter. The "Adjustment Amount" as used herein shall mean, in respect of each calendar year after 2000, that sum of money equal to the product obtained by multiplying [the sum of TWO HUNDRED FIFTY DOLLARS (\$250.00) plus the cumulative total of all prior years' Adjustment Amounts if any] by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, for that year over the previous year. There shall be no adjustment for any decrease from time to time in such index. For greater certainty, the intent of the Adjustment Amount is to reflect the cumulative and compounded increase in the consumer price index as aforesaid, year by year, commencing January 1, 2000.

And the Owner does hereby covenant, acknowledge and agree that:

1. The true consideration for the granting of this Encumbrance and for the covenant to pay the rent charge hereby secured is the sale by the previous registered owner of the Lands to the Owner or the payment by the Association to the Owner of One (\$1.00) Dollar and other good and valuable consideration (the receipt or sufficiency of which by the Owner being hereby acknowledged);
2. The Owner shall pay the said rent charge at the times and place hereinbefore set forth without deduction or defalcation; and that any amount in default shall bear interest at the rate of five (5%) percent per annum in excess of the prime rate of interest charged by

The Toronto-Dominion Bank and being a variable per annum reference rate of interest (as announced and adjusted by The Toronto-Dominion Bank from time to time) for loans made by The Toronto-Dominion Bank in Canada in Canadian dollars, calculated yearly not in advance and payment of such rent charge and such interest is secured by these presents;

3. The Association shall be entitled to and is hereby granted the right of distress together with all powers and remedies of an Encumbrancee under the *Land Titles Act* (Alberta);

4. Any discretion, option, decision or opinion hereunder on the part of the Association shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or an executive officer of the Association or any officer or agent appointed by the Association for such purpose;

5. Any notice to be given by the Association to the Owner may either be delivered to the Owner's address or be forwarded by ordinary mail addressed to the Owner at the civic address of the Lands or to the last post office address of the Owner known to the Association and shall be deemed to have been received by the Owner when delivered or three (3) business days following the letter being deposited, postage prepaid, in a post office;

6. If any provision of this Encumbrance shall be determined by a Court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Encumbrance shall not be affected thereby and each provision hereof shall be enforced to the fullest extent permitted by law;

7. All legal costs, as between a solicitor and his own client, and taxable court costs, incurred in respect to the enforcement of this Encumbrance are secured hereby, and shall constitute a charge on the Lands;

8. The words in the hereinbefore contained covenants, provisos, conditions and agreements referring to the Owner which import the singular number shall be read and construed as applied to each and every Owner male or female and to his or her executors, administrators and assigns, and in the case of a corporation, to such corporation and its successors and assigns, and that in case of more than one Owner, the said covenants, provisos, conditions and agreements shall be construed and held to be several as well as joint;

9. These presents shall enure to the benefit of the Association its successors and assigns and shall be binding upon the Owner and the Owner's assigns and successors in title, PROVIDED HOWEVER that on conveyance of its interest in the Lands, provided it is not in default of these presents as regards the Lands, the Owner without any further written agreement, shall be freed and released of liability under its covenants and obligations contained herein;

10. The Owner shall require any purchaser or transferee of the Lands to execute in favour of the Association an encumbrance in the form of this Encumbrance, as a condition to any such purchase or transfer; and

11. The Owner shall not negative or modify the implied covenants and conditions contained in section 58(1) of the *Land Titles Act* (Alberta), it being agreed that this provision shall run with the Lands, binding the Lands and each and every part thereof, and each successor in title to the Lands from time to time.

IN WITNESS WHEREOF the Owner has subscribed, affixed the Owner's seal and delivered these presents as the Owner's deed, this ___ day of _____, 2000.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

SCHEDULE E

SUMMERSIDE ENCUMBRANCE (Lakeshore)

To secure an annual rent charge of SIX HUNDRED DOLLARS (\$600.00) plus the Adjustment Amount (as hereinafter defined), pursuant to the Land Titles Act: **CARMA DEVELOPERS LTD.**, as Encumbrancer (hereinafter called the "Owner") being registered as owner of an estate in fee simple in possession, subject however, to such encumbrances, liens and interests as are notified by memorandum endorsed hereon or expressed or implied in the existing certificate(s) of title of that land situate in the Province of Alberta, Canada, being composed of:

[Legal Description of lot]

EXCEPTING THEREOUT ALL MINES AND MINERALS

(hereinafter called the "Lands"), and desiring to render the Lands available for the purpose of securing the rent charge hereinafter mentioned to and for the benefit of Summerside Residents Association (hereinafter called the "Association"), as Encumbrancee, do hereby encumber the Lands in favour of and for the benefit of the Association with the annual rent charge of SIX HUNDRED DOLLARS (\$600.00) plus the Adjustment Amount (as hereinafter defined), for each twelve (12) consecutive months commencing the 1st day of January, 2000 to be paid to the Association in lawful money of Canada, at the Association's office at #200, 10414 - 103 Avenue, Edmonton, Alberta, T5J 0J1 (or such other place in the said City as the Association may from time to time or at any time designate in writing) on or before the 1st day of January in each and every year thereafter. The "Adjustment Amount" as used herein shall mean, in respect of each calendar year after 2000, that sum of money equal to the product obtained by multiplying [the sum of SIX HUNDRED DOLLARS (\$600.00) plus the cumulative total of all prior years' Adjustment Amounts if any] by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, for that year over the previous year. There shall be no adjustment for any decrease from time to time in such index. For greater certainty, the intent of the Adjustment Amount is to reflect the cumulative and compounded increase in the consumer price index as aforesaid, year by year, commencing January 1, 2000.

And the Owner does hereby covenant, acknowledge and agree that:

1. The true consideration for the granting of this Encumbrance and for the covenant to pay the rent charge hereby secured is the sale by the previous registered owner of the Lands to the Owner or the payment by the Association to the Owner of One (\$1.00) Dollar and other good and valuable consideration (the receipt or sufficiency of which by the Owner being hereby acknowledged);
2. The Owner shall pay the said rent charge at the times and place hereinbefore set forth without deduction or defalcation; and that any amount in default shall bear interest

at the rate of five (5%) percent per annum in excess of the prime rate of interest charged by The Toronto-Dominion Bank and being a variable per annum reference rate of interest (as announced and adjusted by The Toronto-Dominion Bank from time to time) for loans made by The Toronto-Dominion Bank in Canada in Canadian dollars, calculated yearly not in advance and payment of such rent charge and such interest is secured by these presents;

3. The Association shall be entitled to and is hereby granted the right of distress together with all powers and remedies of an Encumbrancee under the *Land Titles Act* (Alberta);

4. Any discretion, option, decision or opinion hereunder on the part of the Association shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or an executive officer of the Association or any officer or agent appointed by the Association for such purpose;

5. Any notice to be given by the Association to the Owner may either be delivered to the Owner's address or be forwarded by ordinary mail addressed to the Owner at the civic address of the Lands or to the last post office address of the Owner known to the Association and shall be deemed to have been received by the Owner when delivered or three (3) business days following the letter being deposited, postage prepaid, in a post office;

6. If any provision of this Encumbrance shall be determined by a Court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Encumbrance shall not be affected thereby and each provision hereof shall be enforced to the fullest extent permitted by law;

7. All legal costs, as between a solicitor and his own client, and taxable court costs, incurred in respect to the enforcement of this Encumbrance are secured hereby, and shall constitute a charge on the Lands;

8. The words in the hereinbefore contained covenants, provisos, conditions and agreements referring to the Owner which import the singular number shall be read and construed as applied to each and every Owner male or female and to his or her executors, administrators and assigns, and in the case of a corporation, to such corporation and its successors and assigns, and that in case of more than one Owner, the said covenants, provisos, conditions and agreements shall be construed and held to be several as well as joint;

9. These presents shall enure to the benefit of the Association its successors and assigns and shall be binding upon the Owner and the Owner's assigns and successors in title, PROVIDED HOWEVER that on conveyance of its interest in the Lands, provided it is not in default of these presents as regards the Lands, the Owner without any further written agreement, shall be freed and released of liability under its covenants and obligations contained herein;

10. The Owner shall require any purchaser or transferee of the Lands to execute in favour of the Association an encumbrance in the form of this Encumbrance, as a condition to any such purchase or transfer; and

11. The Owner shall not negative or modify the implied covenants and conditions contained in section 58(1) of the *Land Titles Act* (Alberta), it being agreed that this provision shall run with the Lands, binding the Lands and each and every part thereof, and each successor in title to the Lands from time to time.

IN WITNESS WHEREOF the Owner has subscribed, affixed the Owner's seal and delivered these presents as the Owner's deed, this ___ day of _____, 2000.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

SCHEDULE F

SUMMERSIDE ENCUMBRANCE (Lake Access)

To secure an annual rent charge of THREE HUNDRED FIFTY DOLLARS (\$350.00) plus the Adjustment Amount (as hereinafter defined), pursuant to the Land Titles Act: **CARMA DEVELOPERS LTD.**, as Encumbrancer (hereinafter called the "Owner") being registered as owner of an estate in fee simple in possession, subject however, to such encumbrances, liens and interests as are notified by memorandum endorsed hereon or expressed or implied in the existing certificate(s) of title of that land situate in the Province of Alberta, Canada, being composed of:

[Legal Description of lot]

EXCEPTING THEREOUT ALL MINES AND MINERALS

(hereinafter called the "Lands"), and desiring to render the Lands available for the purpose of securing the rent charge hereinafter mentioned to and for the benefit of Summerside Residents Association (hereinafter called the "Association"), as Encumbrancee, do hereby encumber the Lands in favour of and for the benefit of the Association with the annual rent charge of THREE HUNDRED FIFTY DOLLARS (\$350.00) plus the Adjustment Amount (as hereinafter defined), for each twelve (12) consecutive months commencing the 1st day of January, 2000 to be paid to the Association in lawful money of Canada, at the Association's office at #200, 10414 - 103 Avenue, Edmonton, Alberta, T5J 0J1 (or such other place in the said City as the Association may from time to time or at any time designate in writing) on or before the 1st day of January in each and every year thereafter. The "Adjustment Amount" as used herein shall mean, in respect of each calendar year after 2000, that sum of money equal to the product obtained by multiplying [the sum of THREE HUNDRED FIFTY DOLLARS (\$350.00) plus the cumulative total of all prior years' Adjustment Amounts if any] by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, for that year over the previous year. There shall be no adjustment for any decrease from time to time in such index. For greater certainty, the intent of the Adjustment Amount is to reflect the cumulative and compounded increase in the consumer price index as aforesaid, year by year, commencing January 1, 2000.

And the Owner does hereby covenant, acknowledge and agree that:

1. The true consideration for the granting of this Encumbrance and for the covenant to pay the rent charge hereby secured is the sale by the previous registered owner of the Lands to the Owner or the payment by the Association to the Owner of One (\$1.00) Dollar and other good and valuable consideration (the receipt or sufficiency of which by the Owner being hereby acknowledged);
2. The Owner shall pay the said rent charge at the times and place hereinbefore set forth without deduction or defalcation; and that any amount in default shall bear interest at the rate of five (5%) percent per annum in excess of the prime rate of interest charged by

The Toronto-Dominion Bank and being a variable per annum reference rate of interest (as announced and adjusted by The Toronto-Dominion Bank from time to time) for loans made by The Toronto-Dominion Bank in Canada in Canadian dollars, calculated yearly not in advance and payment of such rent charge and such interest is secured by these presents;

3. The Association shall be entitled to and is hereby granted the right of distress together with all powers and remedies of an Encumbrancee under the *Land Titles Act* (Alberta);

4. Any discretion, option, decision or opinion hereunder on the part of the Association shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or an executive officer of the Association or any officer or agent appointed by the Association for such purpose;

5. Any notice to be given by the Association to the Owner may either be delivered to the Owner's address or be forwarded by ordinary mail addressed to the Owner at the civic address of the Lands or to the last post office address of the Owner known to the Association and shall be deemed to have been received by the Owner when delivered or three (3) business days following the letter being deposited, postage prepaid, in a post office;

6. If any provision of this Encumbrance shall be determined by a Court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Encumbrance shall not be affected thereby and each provision hereof shall be enforced to the fullest extent permitted by law;

7. All legal costs, as between a solicitor and his own client, and taxable court costs, incurred in respect to the enforcement of this Encumbrance are secured hereby, and shall constitute a charge on the Lands;

8. The words in the hereinbefore contained covenants, provisos, conditions and agreements referring to the Owner which import the singular number shall be read and construed as applied to each and every Owner male or female and to his or her executors, administrators and assigns, and in the case of a corporation, to such corporation and its successors and assigns, and that in case of more than one Owner, the said covenants, provisos, conditions and agreements shall be construed and held to be several as well as joint;

9. These presents shall enure to the benefit of the Association its successors and assigns and shall be binding upon the Owner and the Owner's assigns and successors in title, PROVIDED HOWEVER that on conveyance of its interest in the Lands, provided it is not in default of these presents as regards the Lands, the Owner without any further written agreement, shall be freed and released of liability under its covenants and obligations contained herein;

10. The Owner shall require any purchaser or transferee of the Lands to execute in favour of the Association an encumbrance in the form of this Encumbrance, as a condition to any such purchase or transfer; and

11. The Owner shall not negative or modify the implied covenants and conditions contained in section 58(1) of the *Land Titles Act* (Alberta), it being agreed that this provision shall run with the Lands, binding the Lands and each and every part thereof, and each successor in title to the Lands from time to time.

IN WITNESS WHEREOF the Owner has subscribed, affixed the Owner's seal and delivered these presents as the Owner's deed, this ___ day of _____, 2000.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

SCHEDULE G

**RESTRICTIVE COVENANT
AND EASEMENT
(LAKESHORE LOTS)**

THIS AGREEMENT MADE AS OF THE ____ DAY OF AUGUST, 2000.

BETWEEN:

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantor")

OF THE FIRST PART

- and -

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS:

A. The Grantee is developing and subdividing certain lands in the south area of the City of Edmonton known generally as "Summerside", for future residential and commercial development, and the Grantee is benefiting those lands by constructing a lake (the "Lake" and beach club amenity, the lands on which such Lake and beach club are to be situate being legally described in Exhibit 1 hereto (the "Dominant Lands");

B. The Grantee is the registered owner of the Dominant Lands;

C. The Grantor is the registered owner of those lands and premises described in Exhibit 2 hereto (the "Servient Lands", and each lot or site comprising the Servient Lands is hereinafter referred to as a "Lakeshore Lot");

D. The Grantee has, in its construction of the Lake and beach club amenity, engineered and constructed the shoreline of the Lake in a manner designed to preserve the integrity of the Lake (all aspects of the engineering, design and construction of such shoreline is hereinafter collectively referred to as the "Shoreline Treatment");

E. The Grantor as owner of the Servient Lands has agreed to restrict its rights of development of the Servient Lands for the purpose of maintaining, preserving and enhancing the overall appearance, quality and value of the Dominant Lands, by maintaining certain restrictions for the Servient Lands, including restrictions relating to landscaping, construction and development on, and use of, the Servient Lands;

F. If the restrictions contained herein relating to the landscaping, construction and development on, and use of, the Servient Lands are breached, the Dominant Lands and its owner from time to time will suffer grievous and irreparable harm;

G. It is beneficial for the ownership of the Dominant Lands that the landscaping, construction and development on, and use of, the Servient Lands be restricted as herein set out;

H. It is beneficial for the ownership of the Dominant Lands that the owner of the Dominant Lands have an easement of access upon the Servient Lands for the purpose of effecting necessary maintenance and repairs to the Shoreline Treatment and the Lake;

I. The Grantor as owner of the Servient Lands desires for the above purposes to grant a restrictive covenant and easement to the Grantee as owner of the Dominant Lands on the terms set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in pursuance of the premises herein set forth and in consideration of the sum of Ten Dollars (\$10.00) paid by the Grantee as owner of the Dominant Lands to the Grantor as owner of the Servient Lands, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Grantor covenants and agrees with the Grantee as follows:

RESTRICTIONS

1. **FENCING**

No fencing along the lake boundary of any Lake Shore Lot shall be constructed or installed until details of its nature and design have first been approved in writing by the Grantee. Nothing in this restrictive covenant and easement shall restrict any provisions in any other restrictive covenants, easements or interests respecting fencing, which may be registered against the titles to any Lake Shore Lots.

2. **SHORELINE, GRADES, REAR YARD STRUCTURES, PATIOS AND MAINTENANCE**

- (a) Subject to (c) below, there shall be no construction or development on any Lakeshore Lot howsoever affecting the Shoreline Treatment or any aspect thereof.
- (b) There shall be no excavations whatsoever below the elevation of @ (GEODETIC) meters, within 7.5 meters of the Lake boundary of any Lakeshore Lot, except as may be specifically approved in writing by the Grantee in its sole and absolute discretion.
- (c) There shall be no structures of any description (including without limiting any dock or bridge providing access to the Lake) within 2.5 meters of the Lake boundary of any Lakeshore Lot, other than a structure (including any dock or

bridge) the design and specifications of which have been specifically approved in writing by the Grantee in its sole and absolute discretion.

- (d) There shall be no planting or landscaping of any description, nor any growth of weeds permitted, adjacent to the Shoreline Treatment along the boundary of any Lakeshore Lot.
- (e) There shall be no patios, decks or similar structures constructed on any portion of any Lakeshore Lot so as to encroach upon any portion of the Shoreline Treatment.
- (f) The rear yard of the Lakeshore Lots shall not be allowed to become unreasonably unkept, and garbage and/or debris shall not be allowed to unduly accumulate thereon so as to detract from the general visual beauty of the Lake.
- (g) No dock or bridge situate (or partially situate) on any Lakeshore Lot shall be allowed to fall into disrepair.
- (h) Unless otherwise specifically approved in writing by the Grantee, in its sole and absolute discretion:
 - (i) there shall be no retaining wall constructed within 8.5 meters of the Lake boundary of any Lakeshore Lot unless same is less than 1 meter in height throughout; and
 - (ii) drops in elevation in excess of 1 meter in such location must be accommodated by terracing with two (2) or more retaining walls, spaced at 1.5 meter or more apart as measured in horizontal distance.

3. The Grantor shall not permit the escape, seepage, leaking, spill, discharge, emission or release of any hazardous material, hazardous substance, pollutant, contaminant, toxic waste or dangerous waste from the Grantor's Lakeshore Lot either:

- (a) into the atmosphere immediately surrounding the Lake including the air above the Lake so as to come into contact with persons using the Lake so as to unreasonably interfere with their enjoyment of the Lake; or
- (b) to come into contact with the water in the lake.

4. The Grantor shall not use nor permit the use of any chemical fertilizers, herbicides, pesticides or similar substances in, on or upon the rear portion of the Grantor's Lakeshore Lot (between the Lake and the front of any dwelling on the Lakeshore Lot).

5. EASEMENT

The Grantor hereby grants to and in favour of the Grantee and its employees, agents and invitees, the right of access by way of easement over, under and upon the Servient Lands and each and every part thereof, subject to the following terms:

- (a) such right of access and easement shall only be for the purpose of the Grantee effecting such maintenance and repairs to the Shoreline Treatment and the Lake as the Grantee reasonably requires from time to time;
- (b) such right of access and easement shall exist for so long as the Grantee requires same;
- (c) the Grantee shall use such right of access and easement only during normal construction hours of the day, and only after giving the owner of the affected Lakeshore Lot reasonable written notice that such access is required;
- (d) the Grantee shall indemnify the owner of an affected Lakeshore Lot for any claim, loss or action brought against that owner howsoever in connection with the exercise by the Grantee of this right of access and easement over or in respect of that Lakeshore Lot;
- (e) the Grantee shall pay reasonable compensation to the owner of an affected Lakeshore Lot for any damage to that Lakeshore Lot occasioned by the Grantee or its employees, agents or invitees in effecting such repairs or maintenance to the Shoreline Treatment or Lake, or otherwise in the enjoyment of the right of access and easement granted herein.

6. GENERAL

The Grantor as owner of the Servient Lands covenants and agrees for itself and its successors and assigns in title to observe and be bound by the covenants herein contained and the said covenants shall be construed to be and shall be covenants running with the lands and shall be appurtenant to the Servient Lands and each and every part thereof, and shall be for the benefit of the Dominant Lands and each and every part thereof.

7. The Grantee with respect to any breach of any of the obligations hereby imposed on the owner or owners of the Servient Lands may enforce the provisions of this restrictive covenant and easement and may, in addition to any other remedy that may be available at law, apply to a court of competent jurisdiction to restrain such breach by injunction, it being agreed that damages are not an adequate remedy in respect of any such breach.

8. If any provision of this restrictive covenant and easement shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this restrictive covenant and easement shall not be affected thereby and each provision shall be enforced to the fullest extent permitted by law.

9. Words herein importing a number or gender shall be construed in grammatical conformance with the context of the party or parties affected by this restrictive covenant from time to time.

10. This restrictive covenant and easement may be registered as a restrictive covenant against the title to the Servient Lands and the Dominant Lands in the Land Titles Office for the North Alberta Land Registration District.

11. It is declared and agreed that the above mentioned restrictions in paragraphs 1 to 4 inclusive shall operate as covenants running with the lands for the benefit of the Dominant Lands and each and every part thereof, being lands owned by the Grantee, and shall bind and encumber the Servient Lands and each and every part thereof, being lands owned by the Grantor, and shall be enforceable by the Grantee and every other person now or hereafter seized or possessed of any part of the Dominant Lands, and a breach of any of the said restrictions or the continuance of any such breach shall be restrained, enjoined, abated, or remedied by appropriate proceedings by the Grantee or any of the successors in title to the Dominant Lands of the Grantee from time to time. Any obligations of the Grantee hereunder shall be the obligations of the registered owner from time to time of the Dominant Lands, and shall not be personal obligations of the Grantee binding the Grantee after it is no longer the registered owner of the Dominant Lands. Any obligations of the Grantor hereunder shall be the obligations of the registered owner from time to time of the Servient Lands, and shall not be personal obligations of the Grantor binding the Grantor after it is no longer the registered owner of the Dominant Lands.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by the hands of their duly authorized officers in that behalf, as of the day and year first above written.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

EXHIBIT 1
Servient Lands

EXHIBIT 2
Dominant Lands

PLAN
BLOCK
LOT

EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE H

EASEMENT (Lake Access Lot)

THIS AGREEMENT MADE AS OF THE DAY OF AUGUST, 2000.

BETWEEN:

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantor")

OF THE FIRST PART

- and -

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS:

- A. The Grantor is developing and subdividing certain lands in the south area of the City of Edmonton known generally as "Summerside", for future residential and commercial development, and the Grantor is benefiting those lands by constructing a lake (the "Lake" and beach club amenity, and in the vicinity of such Lake, certain walkways connecting to the Lake, and the lands on which such walkways are to be situate being legally described in Exhibit 1 hereto (the "Servient Lands");
- B. The Grantor is the registered owner of the Servient Lands;
- C. The Grantee is the registered owner of those lands and premises described in Exhibit 2 hereto (collectively the "Dominant Lands" and each such lot being referred to as a "Lake Access Lot");
- D. The Grantor as owner of the Servient Lands has agreed to grant this easement upon the Servient Lands for the purpose of permitting each owner from time to time any part of the Dominant Lands to have access over the Servient Lands;
- E. The Grantee has, in its construction of the lake and beach club amenity, engineered and constructed the shoreline of the lake in a manner designed to preserve the integrity of the lake (all aspects of the engineering, design and construction of such shoreline is hereinafter collectively referred to as the "Shoreline Treatment");

NOW THEREFORE THIS AGREEMENT WITNESSETH that in pursuance of the premises herein set forth and in consideration of the sum of Ten Dollars (\$10.00) paid by the Grantee as owner of the Dominant Lands to the Grantor as owner of the Servient Lands, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Grantor covenants and agrees with the Grantee as follows:

1. The Grantor hereby grants to and in favour of the Grantee and its guests and invitees, the free, unobstructed and uninterrupted right of access by way of easement over and upon the Servient Lands and each and every part thereof, subject to the terms of this Easement.

2. The rights granted herein to the Grantee shall be enjoyed for so long as the Grantee remains a member of the Summerside Residents Association (the "Association"). Additionally, such rights shall be suspended for so long as the Grantee is in arrears in the payment of any membership dues or fees lawfully required to be paid by the Grantee to the Association.

3. The Grantee agrees that in its use of the rights granted hereunder, it shall not obstruct or unreasonably restrict the use of the Servient Lands by other owners of Lake Access Lots. Without limiting the foregoing, the Grantee shall not:

- (a) place or store any of the Grantee's property upon the Servient Lands except as may be temporarily reasonably required in connection with the Grantee's use and enjoyment of the said Lake, and for greater certainty:
 - (i) boats or other watercraft shall not be left overnight on any part of the Servient Lands, and
 - (ii) other property used in connection with the enjoyment of the Lake shall not be left overnight on any part of the Servient Lands;
- (b) place any debris or garbage upon the Servient Lands;
- (c) make unreasonable noise upon the Servient Lands so as to interfere with the enjoyment of the Servient Lands or Lake Access Lots by other owners of Lake Access Lots;
- (d) interfere with or damage the surface of the Servient Lands; or
- (e) interfere with or damage the Shoreline Treatment;

4. The rights of access granted under paragraph 1 above shall be private rights, exclusive to the owners of Lake Access Lots, and the right to use of the Servient Lands shall be exclusive to the owners of the Lake Access Lots, except that:

- (a) the Grantor and its employees, agents and contractors shall at all times have access over, upon and within the Servient Lands, at the Grantor's sole cost, for the purposes of maintenance and repair of the Servient Lands, the Shoreline Treatment and the Lake;
- (b) the Grantor in exercising the rights described in (a) above shall at all times act in a proper and workmanlike manner and use reasonable efforts to not unduly interfere with the Grantee's rights and enjoyment of the Servient Lands in accordance with the terms of his easement.

5. The Grantor as owner of the Servient Lands covenants and agrees for itself and its successors and assigns in title that the easement rights in paragraph 1 hereof shall be construed to be and shall be covenants running with the lands and shall be appurtenant to the Servient Lands and each and every part thereof, and shall be for the benefit of the Dominant Lands and each and every part thereof.

6. The Grantee with respect to any infringement of any of the rights hereby granted by the owner of the Servient Lands may enforce the provisions of this easement and may, in addition to any other remedy that may be available at law, apply to a court of competent jurisdiction to restrain such breach by injunction, it being agreed that damages are not an adequate remedy in respect of any such breach.

7. If any provision of this easement shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this easement shall not be affected thereby and each provision shall be enforced to the fullest extent permitted by law.

8. Words herein importing a number or gender shall be construed in grammatical conformance with the context of the party or parties affected by this easement from time to time.

9. This easement may be registered as an easement against the titles to the Servient Lands and the Dominant Lands in the Land Titles Office for the North Alberta Land Registration District.

10. It is declared and agreed that the easement rights in paragraph 1 hereof shall operate as covenants running with the lands for the benefit of the Dominant Lands and each and every part thereof, being lands owned by the Grantee, and shall bind and encumber the Servient Lands and each and every part thereof, being lands owned by the Grantor, and shall be enforceable by the Grantee and every other person now or hereafter seized or possessed of any part of the Dominant Lands, and a breach of any of the said rights or the continuance of any such breach shall be restrained, enjoined, abated, or remedied by appropriate proceedings by the Grantee or any of the successors in title to the Dominant Lands of the Grantee from time to time. Any obligations of the Grantee hereunder shall be the obligations of the registered owner from time to time of the Dominant Lands, and shall not be personal obligations of the Grantee binding the Grantee after it is no longer the registered owner of the Dominant Lands. Any obligations of the Grantor hereunder shall be the obligations of the registered owner from time to time of the Servient Lands, and shall not be personal

obligations of the Grantor binding the Grantor after it is no longer the registered owner of the Dominant Lands.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by the hands of their duly authorized officers in that behalf, as of the day and year first above written.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

EXHIBIT 1
Servient Lands

PLAN
BLOCK
LOT

EXCEPTING THEREOUT ALL MINES AND MINERALS

EXHIBIT 2
Dominant Lands

SCHEDULE I
RESTRICTIVE COVENANT

THIS AGREEMENT MADE AS OF THE ____ DAY OF AUGUST, 2000.

BETWEEN:

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantor")

OF THE FIRST PART

- and -

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS:

- A. The Grantee is developing and subdividing certain lands in the south area of the City of Edmonton known generally as "Summerside", for future residential and commercial development, and the Grantee is benefiting those lands by constructing a lake (the "Lake" and beach club amenity, the lands on which such Lake and beach club are to be situate being legally described in Exhibit 1 hereto (the "Dominant Lands");
- B. The Grantee is the registered owner of the Dominant Lands;
- C. The Grantor is the registered owner of those lands and premises described in Exhibit 2 hereto (the "Servient Lands", and each lot or site comprising the Servient Lands is hereinafter referred to as a "Lot");
- D. The Grantor as owner of the Servient Lands has agreed to restrict its rights of use of the Servient Lands for the purpose of maintaining, preserving and enhancing the overall appearance, quality and value of the Dominant Lands, by maintaining certain restrictions for the Servient Lands;
- E. If the restrictions contained herein relating to the use of the Servient Lands are breached, the Dominant Lands and its owner from time to time will suffer grievous and irreparable harm;
- F. It is beneficial for the ownership of the Dominant Lands that the use of the Servient Lands be restricted as herein set out;

G. The Grantor as owner of the Servient Lands desires for the above purposes to grant a restrictive covenant to the Grantee as owner of the Dominant Lands on the terms set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in pursuance of the premises herein set forth and in consideration of the sum of Ten Dollars (\$10.00) paid by the Grantee as owner of the Dominant Lands to the Grantor as owner of the Servient Lands, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Grantor covenants and agrees with the Grantee as follows:

1. The Grantor shall not use nor permit the use of any chemical fertilizers, herbicides, pesticides or similar substances in, on or upon the rear portion of the Grantor's Lot (between the Lake and the front of any dwelling on the Lot).
2. The Grantor as owner of the Servient Lands covenants and agrees for itself and its successors and assigns in title to observe and be bound by the covenants herein contained and the said covenants shall be construed to be and shall be covenants running with the lands and shall be appurtenant to the Servient Lands and each and every part thereof, and shall be for the benefit of the Dominant Lands and each and every part thereof.
3. The Grantee with respect to any breach of any of the obligations hereby imposed on the owner or owners of the Servient Lands may enforce the provisions of this restrictive covenant and may, in addition to any other remedy that may be available at law, apply to a court of competent jurisdiction to restrain such breach by injunction, it being agreed that damages are not an adequate remedy in respect of any such breach.
4. If any provision of this restrictive covenant shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this restrictive covenant shall not be affected thereby and each provision shall be enforced to the fullest extent permitted by law.
5. Words herein importing a number or gender shall be construed in grammatical conformance with the context of the party or parties affected by this restrictive covenant from time to time.
6. This restrictive covenant may be registered as a restrictive covenant against the title to the Servient Lands and the Dominant Lands in the Land Titles Office for the North Alberta Land Registration District.
7. It is declared and agreed that the above mentioned restrictions shall operate as covenants running with the lands for the benefit of the Dominant Lands and each and every part thereof, being lands owned by the Grantee, and shall bind and encumber the Servient Lands and each and every part thereof, being lands owned by the Grantor, and shall be enforceable by the Grantee and every other person now or hereafter seized or possessed of any part of the Dominant Lands, and a breach of any of the said restrictions or the continuance of any such breach shall be restrained, enjoined, abated, or remedied by appropriate proceedings by the Grantee or any of the successors in title to the Dominant

Lands of the Grantee from time to time. Any obligations of the Grantee hereunder shall be the obligations of the registered owner from time to time of the Dominant Lands, and shall not be personal obligations of the Grantee binding the Grantee after it is no longer the registered owner of the Dominant Lands. Any obligations of the Grantor hereunder shall be the obligations of the registered owner from time to time of the Servient Lands, and shall not be personal obligations of the Grantor binding the Grantor after it is no longer the registered owner of the Dominant Lands.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by the hands of their duly authorized officers in that behalf, as of the day and year first above written.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

EXHIBIT 1
Servient Lands

EXHIBIT 2
Dominant Lands

PLAN
BLOCK
LOT

EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE J

RESTRICTIVE COVENANT

THIS AGREEMENT MADE AS OF THE DAY OF AUGUST, 2000.

BETWEEN:

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantor")

OF THE FIRST PART

- and -

CARMA DEVELOPERS LTD., a body corporate
incorporated pursuant to the laws of the Province of
Alberta (hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS:

- A. The Grantor is developing and subdividing certain lands in the south area of the City of Edmonton known generally as "Summerside", for future residential and commercial development, and the Grantor is benefiting those lands by constructing a lake and beach club amenity, the lands on which such lake (the "Lake") and beach club are to be situate being legally described in Exhibit 1 hereto (the "Servient Lands");
- B. The Grantor is the registered owner of the Servient Lands;
- C. The Grantee is the registered owner of those lands and premises described in Exhibit 2 hereto (the "Dominant Lands");
- D. The Grantor has, in its construction of the Lake and beach club amenity, engineered and constructed the shoreline of the Lake in a manner designed to preserve the integrity of the Lake (all aspects of the engineering, design and construction of such shoreline is hereinafter collectively referred to as the "Shoreline Treatment");
- E. The Grantor as owner of the Servient Lands has agreed to restrict its rights of use and development of the Servient Lands for the purpose of maintaining, preserving and enhancing the overall appearance, quality and value of the Dominant Lands, by maintaining certain restrictions for the Servient Lands, including restrictions relating to landscaping, construction and development on, and use of, the Servient Lands;
- F. If the restrictions contained herein relating to the landscaping, construction and development on, and use of, the Servient Lands are breached, the Dominant Lands and their owners from time to time will suffer grievous and irreparable harm;

G. It is beneficial for the ownership of the Dominant Lands, as hereinbefore set forth, that the landscaping, construction and development on, and use of, the Servient Lands be restricted as herein set out;

H. The Grantor as owner of the Servient Lands desires for the above purposes to grant a restrictive covenant to the Grantee as owner of the Dominant Lands.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in pursuance of the premises herein set forth and in consideration of the sum of Ten Dollars (\$10.00) paid by the Grantee as owner of the Dominant Lands to the Grantor as owner of the Servient Lands, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Grantor covenants and agrees with the Grantee as follows:

1. Neither the Servient Lands, nor any part thereof, shall be used for any purpose whatsoever other than as a private lake and beach club for the recreational and social enjoyment of the members of the Summerside Residents Association (the "Association") and their guests (as permitted by the rules of the Association), and such ancillary uses as are reasonably necessary for the members of the Association.

2. There shall not be any form of development or construction on, under or over the Servient Lands or any part thereof which may be contrary to the provisions of the guidelines, plans and specifications as approved by the Grantee as of the date of this Restrictive Covenant (collectively the "Guidelines").

3. There shall be no alterations made to, or structures added to, the Shoreline Treatment in any manner which unreasonably interferes with the visual enjoyment of the Lake from any Lakeshore Lot, provided that temporary maintenance and repairs of the Shoreline Treatment shall be permitted.

4. Notwithstanding paragraphs 1, 2 and 3, the Association may itself, or may permit its members to, make a use of or may develop or construct upon the Servient Lands and/or the Shoreline Treatment in variation of the provisions of the Guidelines or of paragraphs 1, 2 or 3 (as the case may be) but only if such use, development or construction is first approved by each of the following:

- (a) a majority of 95% of the Association's Voting Members from Lakeshore Lots;
- (b) a majority of 95% of the Association's Voting Members from Lake Access Lots; and
- (c) a majority of 80% of all of the Association's Voting Members;

at a duly constituted meeting of the Association's members. The terms "Lakeshore Lot", "Lake Access Lot" and "Voting Members" have the meanings ascribed to them in the Association's Articles of Association.

5. The Association shall provide within a reasonable time upon written request served upon it, to anyone having a bona fide interest in the Servient Lands, a letter indicating whether or not any variations as described in paragraph 4 hereof have been authorized by the owner of the Dominant Lands.

6. Notwithstanding paragraphs 1, 2 and 3, Carma Developers Ltd. and its successors, assigns and affiliates (and its and their respective employees, agents and contractors) shall be entitled to use the Servient Lands at any time for any purposes it deems necessary or desirable in connection with the marketing of lands within the Summerside Lands.

7. The Grantor as owner of the Servient Lands covenants and agrees for itself and its successors and assigns in title to observe and be bound by the covenants herein contained and the said covenants shall be construed to be and shall be covenants running with the lands and shall be appurtenant to the Servient Lands and each and every part thereof, and shall be for the benefit of the Dominant Lands and each and every part thereof.

8. The Grantee with respect to any breach of any of the obligations hereby imposed on the owner or owners of the Servient Lands may enforce the provisions of this restrictive covenant and may, in addition to any other remedy that may be available at law, apply to a court of competent jurisdiction to restrain such breach by injunction, it being agreed that damages are not an adequate remedy in respect of any such breach.

9. If any provision of this restrictive covenant shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this restrictive covenant shall not be affected thereby and each provision shall be enforced to the fullest extent permitted by law.

10. Words herein importing a number or gender shall be construed in grammatical conformance with the context of the party or parties affected by this restrictive covenant from time to time.

11. This restrictive covenant may be registered as a restrictive covenant against the title to the Servient Lands and the Dominant Lands in the Land Titles Office for the North Alberta Land Registration District.

12. It is declared and agreed that the above mentioned restrictions shall operate as covenants running with the lands for the benefit of the Dominant Lands and each and every part thereof, being lands owned by the Grantee, and shall bind and encumber the Servient Lands and each and every part thereof, being lands owned by the Grantor, and shall be enforceable by the Grantee and every other person now or hereafter seized or possessed of any part of the Dominant Lands, and a breach of any of the said restrictions or the continuance of any such breach shall be restrained, enjoined, abated, or remedied by appropriate proceedings by the Grantee or any of the successors in title to the Dominant Lands of the Grantee from time to time. Any obligations of the Grantee hereunder shall be the obligations of the registered owner from time to time of the Dominant Lands, and shall not be personal obligations of the Grantee binding the Grantee after it is no longer the registered owner of the Dominant Lands. Any obligations of the Grantor hereunder shall be

the obligations of the registered owner from time to time of the Servient Lands, and shall not be personal obligations of the Grantor binding the Grantor after it is no longer the registered owner of the Dominant Lands.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by the hands of their duly authorized officers in that behalf, as of the day and year first above written.

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

CARMA DEVELOPERS LTD.

Per: _____

Per: _____ c/s

EXHIBIT 1
Servient Lands

PLAN
BLOCK
LOT

EXCEPTING THEREOUT ALL MINES AND MINERALS

EXHIBIT 2
Dominant Lands

SCHEDULE K

SUMMERSIDE RESIDENTS ASSOCIATION

RULES AND REGULATIONS

(AUGUST 1, 2000)

The Summerside Amenities are for the exclusive use of Members of the Summerside Residents Association (the "Association") and their guests.

All such Members and their guests are permitted the use of the Summerside Amenities entirely at their own risk, and subject to the following rules and regulations:

HOURS:

The hours for use of the Summerside Amenities will be posted from time to time and no Member or other person will be permitted on them except during the hours specified.

MEMBERS:

Members will be issued membership cards which membership cards are personal to the Member and are not transferable by the Member. It is a serious breach of the Rules and Regulations to lend a membership card to another person. Members, when on the Summerside Amenities should carry their Membership Cards at all times and present them for inspection upon request of the manager or a security guard of the Summerside Amenities.

Membership Cards remain the property of the Association who may require such cards to be returned if the holder of the card breaches these rules.

GUESTS:

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

Homeowner Members and Tenant Members are at all times responsible for the actions of their Family Members and their guests or their Family Members' guests, including their compliance with these Rules and Regulations.

PROHIBITIONS:

1. No person shall at any time have or take on the Lake or the adjacent beach or lakeshore park areas:

- any glass bottles;
- any other glass product;
- any intoxicating liquor, drug or similar substance;

- any animal;
- any bicycle or other vehicle (except in designated parking areas);
- any open fire (except in specifically designated sites); or
- any motor boat (except as required by the Association for maintenance or security purposes) or snowmobile; and

2. No person shall at any time have or take on the Summerside Amenities not immediately associated with the Lake:

- any vehicle other than a bicycle (except in designated parking areas);
- any open fire (except in specifically designated sites); or
- any snowmobile.

all of which are strictly prohibited at all times.

BOATING:

All sail boats or sail boards on the Lake shall be in the charge of a qualified Member of at least 16 years of age, and each person in a boat or on a sail board should wear a proper flotation device.

All boats or sail boards should immediately come ashore if potentially hazardous conditions arise such as lightning, dangerous winds or storm conditions.

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

FISHING:

If the Lake is stocked with fish, then:

1. Fishing privileges on the Lake are restricted to Members. A maximum of one guest of a Member, per day, is permitted to fish.
2. Daily limit per Member may be prescribed by the Association from time to time.
3. No live bait or nets may be used to catch fish.
4. No cleaning of fish is permitted on the Summerside Amenities.
5. Fishing is not permitted from any undeveloped or unoccupied Lakeshore Lot.
6. While fishing, each Member must carry his or her Membership Card.

WINTERSPORTS:

The Association may from time to time prescribe rules relating to the use of the Summerside Amenities for non-motorized winter sports.

TRASH:

All trash shall be deposited in the receptacles provided or shall be carried away by the Member from the Summerside Amenities.

LAKE ACCESS WALKWAYS:

The Walkways are for the sole use of the homeowners, and the guests of such homeowners, of the Lake Access Lots.

INTEGRATING PARKLANDS:

No person shall at any time have or take on the integrating parklands (as shown on Exhibit 1 of the Summerside Management Agreement):

- any glass bottles;
- any other glass product;
- any intoxicating liquor, drug or similar substance;
- any vehicle (but bicycles shall be permitted);
- any open fire;
- any motor boat or snowmobile;
- any snowmobile;
- any parked vehicle.

SECURITY GUARD:

The security guard's duties are to enforce these Rules and Regulations and to protect the property of the Association. The security guards are authorized to take all reasonable steps required to carry out their duties.

The security guards will not act as a supervisor or babysitter.

AMENDMENTS:

The Association shall have the right, in accordance with the Association's articles of association, to make amendments to these Rules and Regulations (including such other and further reasonable Rules and Regulations) as in its judgment may from time to time be needful for the safety, care and cleanliness of the Summerside Amenities, and for preservation of good order therein. A copy of the current rules and regulations, with changes, shall be kept by the Association's secretary, who shall provide a copy thereof to any Member on request.

ARTICLES:

These Rules and Regulations shall at all times be subject to the provisions of the Association's articles of association, including article 6 thereof.

All capitalized terms not otherwise defined in these Rules and Regulations shall have the meanings ascribed to them in the Association's articles of association.

GENERAL:

If any provision of these Rules and Regulations is determined by a court to be unenforceable, then the remaining provisions shall nevertheless remain enforceable to the fullest extent permitted by law.

LIMITATION OF LIABILITY:

The Association, its affiliates and their employees, officers and directors (collectively the "Released Persons") will not be liable for any personal injuries, or any damage, loss or theft of personal property howsoever caused, that is sustained by any Member of the Association, or their guests. This clause applies whether the injury, loss, or damage to person or property is caused by any act of negligence or omission of the Association, or any employee, or any other person.

By using the Summerside Amenities, the Member and each guest voluntarily assumes all risks to themselves, or to personal property arising from use of the Summerside Amenities, and waive any claims against the Released Persons (or any of them) which may arise as a result of any loss, damage, personal injury, death, or property damage suffered during the use of, in or about the Summerside Amenities. Each Member is further required to inform any member of his or her family or any guest of the conditions set out above, prior to their use of the Summerside Amenities.

In the event that any Released Person is liable for gross negligence, such liability is limited to the limits set out in the Association's policy of insurance at the time the claim arises.

This limitation of liability is obtained by the Association for the Association's benefit and as agent for the Released Persons.

