

## Partnership Agreement

July 30, 1994, being an exact copy of the original 1976 partnership agreement.

BETWEEN: Grant Cosby, Marek Debicki, Robert Dowswell, Eric MacPherson, and Mary Lou Swanson, all of Winnipeg, Manitoba, Donald Filips of Kenora, Ontario, and Ronald Hay of Ottawa, Ontario.

### DESCRIPTION OF PARTNERSHIP

1. These individuals have purchased, as partnership property, island location P160, Parcel 4852, in Bigstone Bay in the Lake of the Woods District of Kenora, Ontario.
2. These individuals have undivided, one seventh interests or shares in the land of the island.
3. These individuals have purchased the island for their own recreational and cottage use and not for commercial or institutional use.
4. Any of these individuals may register his interest in either his own name or the name of a nominee, provided that the nominee shall be bound by all of the terms of this agreement.

### BOARD OF DIRECTORS

5. These individuals, or their nominees, shall make up the Board of Directors governing the affairs of the partnership. Each shall have one, undivided vote. The Board shall meet at least once a year at the call of its officers or any two other directors.
6. The Board shall elect annually two officers, a Chairman and a Secretary-Treasurer. The officers shall: call the annual meeting; take charge of the partnership's tax account; and perform any other duties assigned to them by the Board.
7. Any director may appoint a proxy to attend, and vote in his place during the meetings of the partnership.
8. The Board of Directors is empowered to make decisions about common affairs pertaining to the island, for example, use of unoccupied land, choice of land for occupancy, and placement of septic fields.
9. All decisions of the Board of Directors are to be by a majority of five members, except for the following areas where unanimous decisions are required: (a) changing the partnership agreement; and (b) the use or disposition of common land.

### PARTNERSHIP BUSINESS

10. No partner can do business on behalf of the partnership without the prior approval of the Board of Directors.

### SALE OF SHARES

11. Any partner can sell his interest in the island, provided that:

- a) any sale shall be for the whole of the interest in the island of the seller, and no sales of part interests are permitted under this agreement;
- b) the other partners, individually or as a group, have first option to purchase the interest being sold;
- c) the seller, upon receipt of a bona fide offer to purchase his interest, shall communicate this offer to the Board of Directors;
- d) the other partners have 15 days after being notified of the bona fide offer to purchase the interests of the seller at the offered price, or to find another purchaser willing to pay the offered price;
- e) in the event that the other partners do not wish to purchase the seller's interest and are unable to find another purchaser, the original bona fide offer may be accepted;
- f) prior to the sale of any interest, the new purchaser shall execute such documents as to bind him to all of the terms of this agreement.

### ARBITRATION

12. In the event of an unresolved dispute within the Board of Directors, the matter under dispute shall be referred to an arbitrator chosen by at least five members of the Board.

13. The decision of the arbitrator shall be binding.

14. Expenses of the arbitration will be borne equally by all of the partners.

### TAXES

15. Taxes on the land of the island shall be paid equally by all of the partners. A tax account shall be created. Each partner is to make an annual deposit to this account, the amount being determined each year by the Board of Directors.

16. Taxes on improvements shall be paid by the individuals concerned.

OCCUPANCY AND BUILDINGS

- 17. Each individual shall occupy an area of approximately 3 (three) acres, with the remaining land held in common. Locations of these privately occupied areas are shown on the attached map.
- 18. Each individual will be entitled to erect one cottage and two ancillary structures in his occupancy area. The location of the ancillary buildings is to be approved by the Board of Directors.

RESTRICTIONS

- 19. No individual shall use his interest in the island as security for a loan, a mortgage or any other transaction, except with the prior approval of the Board of Directors.

SIGNATURES

- 20. This agreement will be binding on each of the partners and their respective heirs, executors, administrators, successors and assigns.

In witness of this agreement, we attach our signatures

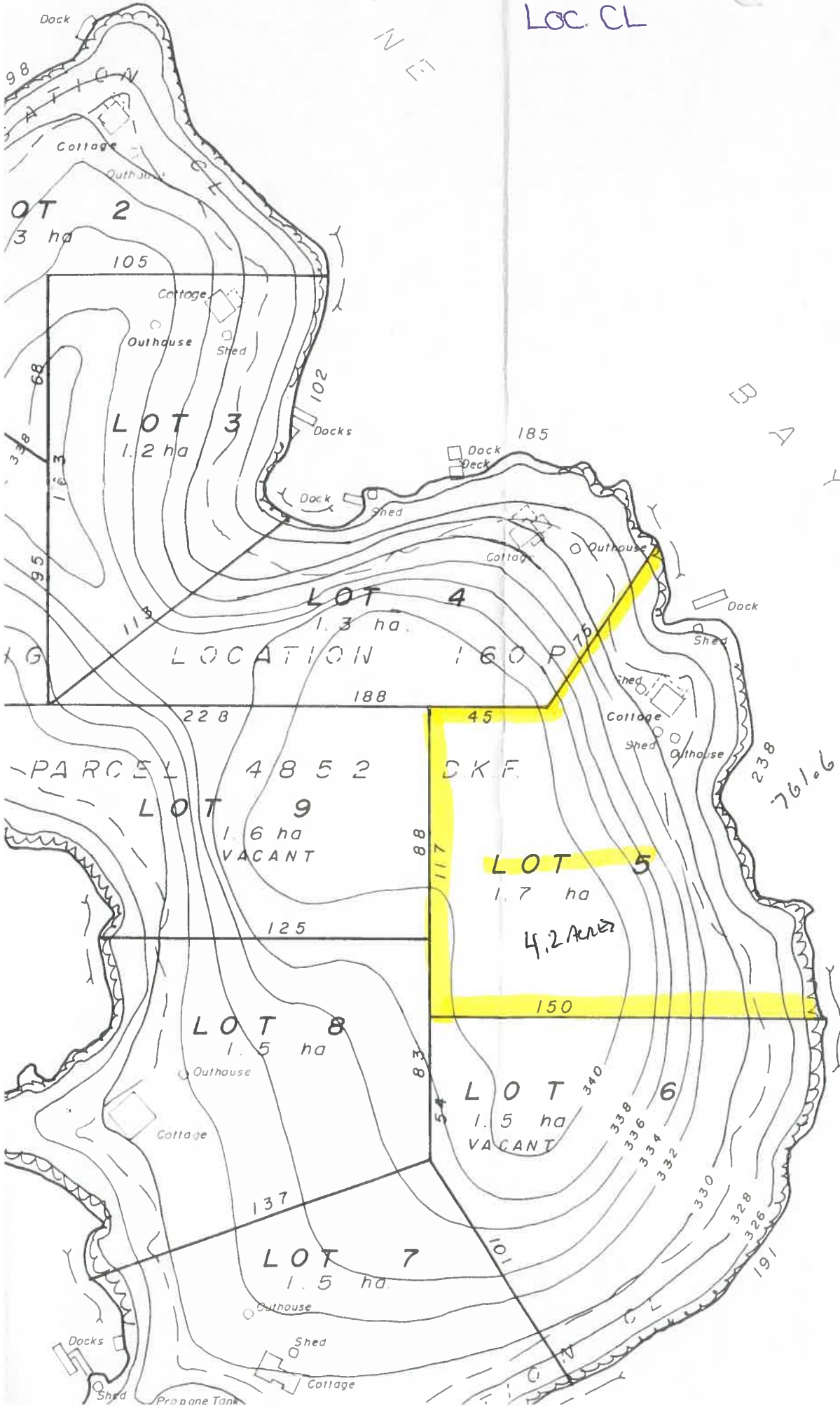
Witness

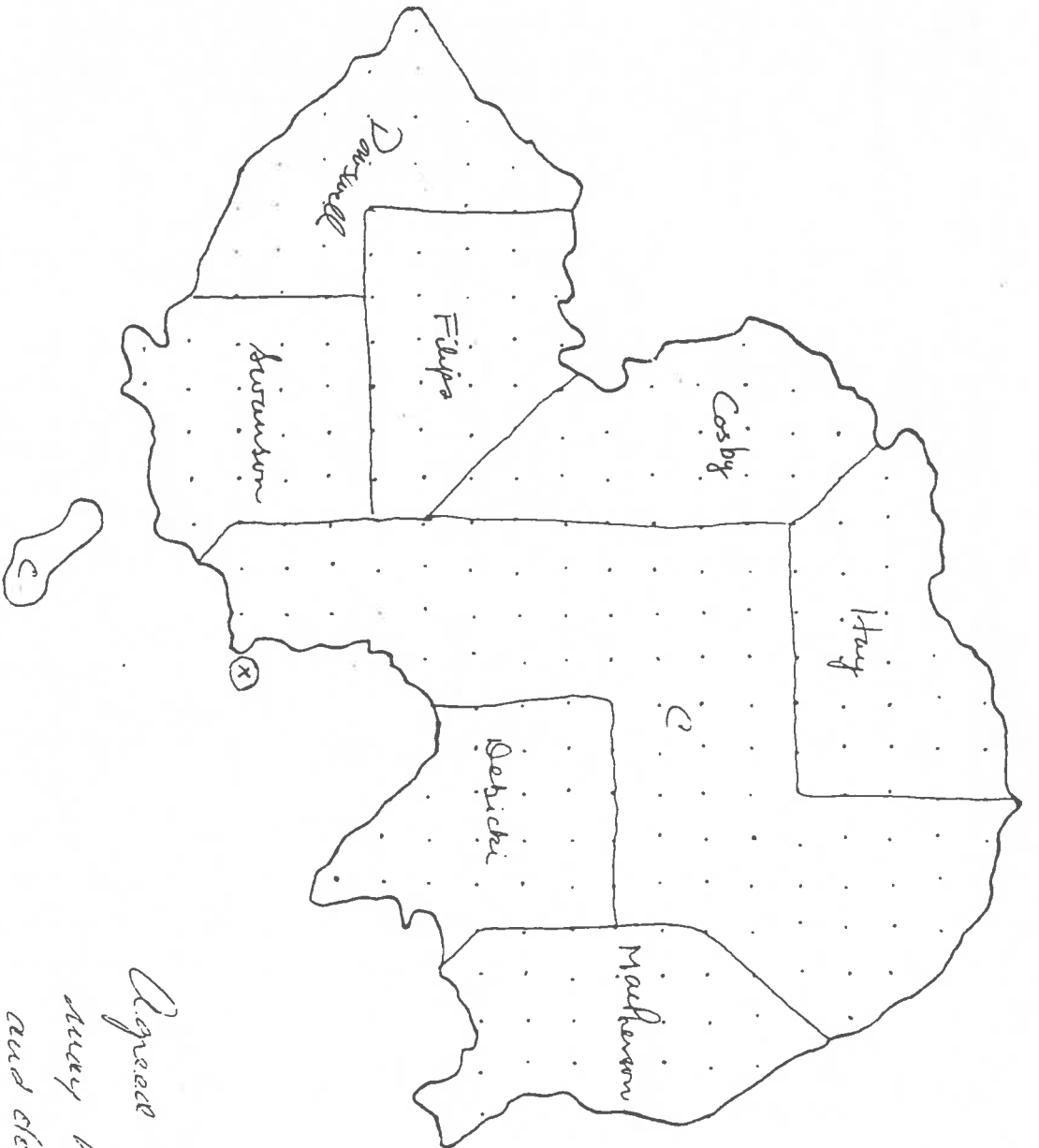
Date

_____	G. Cosby	_____
_____	M. Debicki	_____
_____	R. Dowswell	_____
_____	D. Filips	_____
_____	R. Hay	_____
_____	E. MacPherson	_____
_____	M.L. Swanson	_____

M.L. 160P+  
Loc. CL

none





Agree that Swasey  
 may have warrant to  
 and deal in common  
 land in approximate  
 location (X)

C = common land