

SCHEDULE B

MEMORANDUM OF ASSOCIATION OF THE PROPERTIES OF DONS DALE RESIDENTS ASSOCIATION

1. The name of the Company is "The Properties of Donsdale 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 Alldritt Development Limited (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 utility lots, parks, boulevards, walkways 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 "Donsdale Amenities"), all of which may be situate on residential subdivision lands 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) located within the Donsdale Neighborhood Structure Plan as amended and approved by the City or other lands in the vicinity thereof as the Developer may in its sole and unfettered discretion determine (all such lands are hereinafter collectively called the "Donsdale Lands");
 - (b) to maintain and operate the Donsdale 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 Donsdale Lands, their rights (if any) under each and every rent charge encumbrance and restrictive covenant registered on lands in the Donsdale 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 Donsdale Lands, including without limitation, the public utility lots, parks, boulevards and walkways within the Donsdale 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 Donsdale 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 Donsdale Amenities has been transferred by the Developer to the Company pursuant to the Donsdale 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 26 day of February, 1998.

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