

THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE

Per: Don L. Oswald,
Mayor

Clerk [Signature]

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON

Per: Bagnato
Mayor

Clerk [Signature]

THE CORPORATION OF THE TOWN OF HANOVER

Per: [Signature]
Mayor

Clerk [Signature]

THE CORPORATION OF THE MUNICIPALITY OF WEST GREY

Per: Delton Becken
Mayor

Clerk [Signature]

Trans Code A 18	Line No 0 20	Stat 0 28	Comp Type B 29	Method Incorp 1 30
Share N 31	Notice Req'd Y 32	Jurisdiction ONTARIO 33		

Minister of Consumer and Commercial Relations
 Le Ministre de la Consommation et du Commerce

 Directeur

**APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE ASSOCIATION**

1. The name of the corporation is/Nom de l'association.

S	A	U	G	E	E	N	M	U	N	I	C	I	P	A	L	A	I	R	P	O	R	T

2. The address of the head office of the corporation is/Adresse du siège social

R.R. #1
 (Street & Number or R.R. Number & if Multi-Office Building give Room No)
 (Rue et numéro ou R.R. et numéro et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Walkerton, Ontario
 (Name of Municipality or Post Office)
 (Nom de la municipalité ou du bureau de poste)

NOG2VO
 (Postal Code/Code postal)

3. The head office of the corporation is situated in/Le siège social se trouve à:

Township of Brant in the County of Bruce
 (Name of Municipality Geographical Township) dans le (County, District, Regional Municipality)
 (Nom de la municipalité, canton) (Comté, district municipalité régionale)

4. Address of clubhouse or similar premises (if any) is:
Adresse du local de l'association ou autre endroit utilisé aux mêmes fins, s'il y a lieu:

Not applicable
 (Street & Number or R.R. Number & if Multi-Office Building give Room No)
 (Rue et numéro ou R.R. et numéro et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

(Name of Municipality or Post Office) (Postal Code/Code postal)

5. The applicants who are to be the first directors of the corporation are:
Requérants appelés à devenir les premiers administrateurs de l'association

Name in full, including all first, middle names Nom et prénoms au complet	Residence address giving Street & No or R.R. No & Municipality or Post Office and Postal Code Adresse personnelle y compris la rue et le numéro ou la R.R. et le numéro, le nom de la municipalité ou du bureau de poste et le code postal
Bruce Samuel Franch	R.R. #1, Elmwood, Ontario NOG 1S0
Lorne Henry Mullen	R.R. #3, Hanover, Ontario N4N 3B9
Norman Ross Thompson	150 Albert Street, Durham, Ontario NOG 1E0
John Kenneth Alpaugh	Lot 27, Concession 13, Elderslie Township Dobbinton, Ont. NOH 1L0
Beverley Charles Strucke	571-12th Street, Hanover, Ontario N4N 1W5

Continued

5. The applicants who are to be the first directors of the corporation are:

Lawrence Richard Copeland

R.R. #4, Mount Forest, Ontario
NOG 2LO

James William Bolden

6 Lynwood Place, Walkerton, Ontario
NOG 2VO

6 The objects for which the corporation is incorporated are:
Objets pour lesquels l'association est constituée:

- (a) To provide and operate a regional airport to serve the southern, Grey and Bruce County, Ontario region.

7. The special provisions are/Dispositions particulières:




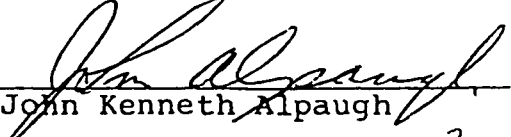

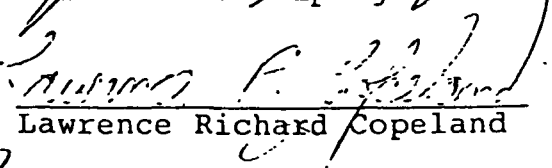

- (a) For the objects aforesaid, to accept donations, gifts, legacies and bequests.

the names and residence addresses of the applicants and
Noms et adresses personnelles des requérants

Name in full, including all first, middle names Nom et prénoms au complet	Residence address, giving Street & No or RR No & Municipality or Post Office and Postal Code Adresse personnelle y compris la rue et le numéro ou la RR et le numéro et la municipalité ou le bureau de poste et le code postal	Calling (occupation) Profession
Bruce Samuel French	R.R.#1 Elmwood, Ontario NOG 1S0	Retired
Lorne Henry Mullen	R.R.#3 Hanover, Ontario N4N 3B9	Doctor (Radiologis)
Norman Ross Thompson	150 Albert Street Durham, Ontario NOG 1R0	Buyer- Interforest
John Kenneth Alpaugh	XXXXXXXXXXXXXXXXXXXX Lot 27, XXXXXXXXXX Concession 13, Township of Elderslie	Dead Stock Remova
Beverley Charles Strucke	571 - 12th Street Hanover, Ontario N4N 1W5	Salesman- Hanover Kitchens
Lawrence Richard Copeland	R.R.#4 Mount Forest, Ontario NOG 2L0	Farmer School Bus Dr.
James William Bolden	6 Lynwood Place Walkerton, Ontario NOG 2V0	Mayor of Walkert Postal Clerk

This application is executed in duplicate.
Cette requête est faite en double exemplaire.

Signatures of applicants/Signature des requérants

 Bruce Samuel French	 Lorne Henry Mullen
 Norman Ross Thompson	 John Kenneth Alpaugh
 Beverley Charles Strucke	 Lawrence Richard Copeland
 James William Bolden	

SCHEDULE 'B'

BY-LAW NO.1

A By-law relating generally to the transaction
of the affairs of Saugeen Municipal Airport Corporation.

BE IT ENACTED as a by-law of Saugeen Municipal Airport Corporation (hereafter referred to as the Corporation) as follows:

HEAD OFFICE

1. The head office of the Corporation is located at R.R, #1, Walkerton, Ontario.

SEAL

2. The Commissioners of the Corporation, have by resolution, adopted a corporate seal.

BOARD OF COMMISSIONERS

3. The affairs of the Corporation shall be managed by a Board of Commissioners, not to exceed 7 or be less than five, and at the time of their appointment according to section 17 of this by-law No.1 shall be a member of the Corporation. Each commissioner shall hold office until the first annual meeting after they are appointed according to section 17 of this by-law No.1 or until their successor has been duly qualified according to section 17 of this by-law No.1

VACANCIES, BOARD OF COMMISSIONERS

4. (a)A vacancy in one or more of the municipal appointees must be filled according to article 17.c) to complete the balance of that municipality's term of appointment.

(b)A vacancy in one of the members at large can be filled by the municipal appointees to complete that member at large's term, or if the remaining members agree, such vacancy shall be filled at the next annual meeting of the commissioners at which the commissioners for the ensuing year are elected

QUORUM AND MEETINGS, BOARD OF COMMISSIONERS

5. A majority of the Commissioners shall form a quorum for the transaction of business. Except as otherwise required by law, the Board of Commissioners may hold its meetings at such place or places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. Commissioners' meetings may be formally called by the Chair or the Vice-Chair or by the Secretary on direction in writing of two Commissioners. Notice of such meeting shall be delivered, telephoned or transmitted to each Commissioners not less than five business days before the meeting is to take place or shall be mailed to each director not less than five days before the meeting is to take place. The statutory declaration of the Secretary or Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent. A Board meeting may also be held, without notice, immediately following the annual meeting of the corporation. The Commissioners may consider or transact any business either special or general at any meeting of the board. In the case of emergencies meetings will be called at the discretion of the Chair or by two Commissioners

ERRORS IN NOTICE, BOARD OF COMMISSIONERS

6. No error or omission in giving such notice of a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

VOTING, BOARD OF COMMISSIONERS

7. (a) For all matters, except when a RECORDED VOTE has been requested by a member of the Board, questions arising at any meeting of Commissioners shall be decided by a majority of votes. All votes at such meeting shall be taken by ballot if so demanded by any Commissioner present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairman that a resolution has been carried and any entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. In the absence of the Chair his duties may be performed by the Vice-Chair or such other director as the Commission may from time to time appoint for the purpose.

- (b) For matters when a RECORDED VOTE has been requested by a member of the board, the following weighting will be applied: Brockton, Hanover and West Grey will be credited with 4 votes each, while Arran-Elderslie will get credit for 2 votes and members at large 1 vote each.

POWERS

8. The Commissioners of the Corporation shall administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do. Without in any way derogating from the foregoing, the Commissioners are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property movable or immovable, real or personal, or any right of interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

REMUNERATION OF COMMISSIONERS

9. a) Remuneration of Municipal Appointees will be determined by their respective Municipalities.
- b) No remuneration will be paid by Saugeen Municipal Airport.
- c) Members at large will be compensated for mileage, and other expenses that may be required from time to time, with the mileage rate to be set by the Board of Commissioners.

OFFICERS OF CORPORATION

10. There shall be a Chair, a Vice-Chair a Secretary and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the Board of Commissioners may determine by by-law from time to time. One person may hold more than one office except the offices of Chair and Vice-Chair. The Chair and Vice-Chair shall be elected by the Board of Commissioners from among their number at the first meeting of the Board after the annual election of such Board Commissioners, provided that in default of such election the then incumbents, being member of the Board, shall hold office until their successors are elected.

DUTIES OF Chair AND VICE- Chair

11. The Chair shall, when present, preside at all meetings of the members of the Corporation and of the Board of Commissioners. The Chair shall also be charged with the general management and supervision of the affairs and operations of the Corporation. The Chair with the Secretary or other officer appointed by the Board for the purpose shall sign all by-laws and membership certificates and other necessary documents. During the absence or inability of the Chair, his duties and powers may be exercised by the Vice- Chair and if the Vice- Chair or such other director as the Board may from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the Chair shall be presumed with reference thereto.

DUTIES OF SECRETARY

12. The Secretary shall be ex officio clerk of the Board of Commissioners. The Secretary shall attend all meetings of the Board of Commissioners and record all facts and minutes of all proceedings in the books kept for that purpose. The Secretary shall give all notices required to be given to members and to Commissioners. The Secretary shall be the custodian of the seal of the Corporation and all books, papers, records, correspondence, contracts and other documents belonging to the Corporation which he shall deliver up only when authorized by a resolution of the Board of Commissioners to do so and he shall perform such other duties as may from time to time be determined by the Board of Commissioners.

DUTIES OF TREASURER

13. The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such banks or banks as may from time to time be designated by the Board of Commissioners. The Treasurer shall disburse the funds of the Corporation under the direction of the Board of Commissioners, taking proper vouchers therefore and shall render to the Board of Commissioners at the regular meetings thereof or whenever required of the Treasurer, an account of all his transactions as Treasurer, and of the financial position of the Corporation. He shall also perform such other duties as may from time to time be determined by the Board of Commissioners.

DUTIES OF OTHER OFFICERS

14. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board of Commissioners requires of them.

EXECUTION OF DOCUMENTS

15. Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by either the Chair or Vice-Chair and by the Secretary, and the Secretary shall affix the seal of the Corporation to such instruments as require the same.

Contracts in the Ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the Chair, Vice-Chair, Treasurer or by any person authorized by the Board.

The Chair, Vice- Chair, the Commissioners, Secretary or Treasurer, or anyone of them, or any person or persons from time to time designated by the Board of Commissioners may transfer any and all shares, bonds or other securities from time to time standing in the name of the Corporation in its individual or any other capacity of as trustee or otherwise and may accept in the name and on behalf of the Corporation transfers of shares, bonds or other securities from time to time transferred to the Corporation, and may affix the corporate seal to any such transfers or acceptances of transfers, and may make, execute and deliver under the corporate seal any and all instruments in writing' necessary or proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of shares bonds or other securities on the books of any company or corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the Board of Commissioners may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

BOOKS AND RECORDS

16. The Commissioners shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

MEMBERSHIP

17. (a) The number of members of the Corporation shall not exceed 7.
- (b) The first members of the Corporation shall be the Municipalities for the incorporation of the Saugeen Municipal Airport.
- (c) The municipal Council of each of the Municipality of West Grey, Town of Hanover, Municipality of Brockton, and Municipality of Arran-Elderslie shall each be entitled to appoint one member from their respective municipal council for a term which will coincide with the term of each municipal council, and there shall be approved and appointed at all times members to ensure one member by each of the said municipalities. The approval of such member shall be by resolution of the council of the said municipality, filed with the Secretary of the Corporation.
- (d) In addition there may be up to a maximum of 3 further members, admitted to the Corporation, provided such members must be elected by a majority of those members appointed by the municipalities herein before referred to. Members at large will be appointed for a two year term, and may be appointed for multiple terms.
- (e) The 4 municipal appointees herein before referred to shall:
- a) Determine by motion at a regularly scheduled meeting of the board of Commissioners the number of additional members to be appointed to represent members at large, and
 - b) Determine the method of inviting and choosing applicants for the additional members at large
- (f) Members of the Corporation, except those appointed at a meeting held for the purpose of organizing the said Corporation, as set out hereinbefore, shall be appointed members of the Corporation, to coincide with the term of their council. All members of the Corporation whose term of membership expires shall be eligible to be reappointed in the Corporation, but the appointment of those members of the Corporation who shall be approved by the municipal council of the municipality of whose member in the Corporation they are deemed to be, shall be appointed as hereinbefore set out and provided.

ANNUAL AND OTHER MEETINGS OF MEMBERS

18. a) The annual or any other general meeting of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the Board of Commissioners may determine and on such day as the said Commissioners shall appoint. At every annual meeting, in addition to any other business that may be transacted, the report of the Commissioners, the financial statement and the report of the auditors shall be presented and a Board of Commissioners elected and auditors appointed for the ensuing year. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members, except for the annual General meeting which will be limited to items included with the agenda circulated earlier. The Board of Commissioners or the Chair or Vice-Chair shall have power to call at any time a general meeting of the members of the Corporation. Notice of time and place of every such meeting shall be given to each member by sending the notice by prepaid mail or telegraph, ten days before the time fixed for the holding of such meeting; provided that any meetings of members may be held at any time and place without such notice if all the members of the Corporation are present thereat or represented by proxy duly appointed, and at such meeting any business may be transacted which the Corporation at annual or general meetings may transact.
- b) Approved minutes will be posted on the bulletin board at the Saugeen Municipal Airport and sent to the municipalities.

ERROR OR OMISSION IN NOTICE

19. No error or omission in giving notice of any annual or general meeting of any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the Corporation.

QUORUM OF MEMBERS

20. A quorum for the transaction of business at any meeting of members shall consist of more than 50% of the Commissioners.

FINANCIAL YEAR

21. The fiscal year of the Corporation shall terminate on the 31st day of December in each year.

CHEQUES, ETC.

22. All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by two Commissioners and in such manner as shall from time to time be determined by resolution of the Board of Commissioners and any one (1) of such officers or agents may alone endorse notes and drafts for collection on account of - the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Anyone of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all bank's forms or settlement of balance and release or verification slips.

DEPOSIT OR SECURITIES FOR SAFEKEEPING

23. The securities of the Corporation shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the Board of Commissioners. Any and all securities so deposited may be withdrawn from time to time only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Commissioners and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the Board of Commissioners shall be fully protected in acting in accordance with the direction of the Board of Commissioners and shall in no event be liable for the due application of the securities so withdrawn from deposit of the proceeds thereof.

NOTICE

24. Any notice (which term includes any communication or document) to be given, sent delivered or served pursuant to the Letters Patent, the by-laws or otherwise to a member, Commissioners, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid air or

ordinary mail, or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or at the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary-Treasurer may change or cause to be changed the recorded address of any member, director, officer or auditor in accordance with any information believed by him to be reliable.

BORROWING

25. The Commissioners may from time to time within the approved annual budget or municipally approved long term commitments:
- a) borrow money on the credit of the Corporation; or
 - b) issue, sell or pledge securities of the Corporation; or
 - c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure and securities or any money borrowed, or other debts, or any other obligation or liability of the Corporation.

The Commissioners must request approval from municipal partners for any new undertakings beyond Saugeen Municipal Airport approved annual budgets or previously-approved long-term commitments

From time to time the Commissioners may authorize any officer of the Corporation or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any monies borrowed or remaining due by the Corporation as the Commissioners may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

INTERPRETATION

26. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number of the masculine gender shall include the plural number or feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Passed by the Board of Commissioners and sealed with the corporate seal this day
of , 2005.

SCHEDULE – C

FORMULA FOR COST SHARING BY MUNICIPAL PARTNERS

Reference = 6.a) Effective January 1, 2006

The allocation of cost identified in paragraph 6.a) of the Agreement are arrived at Using the following formula, which will be reviewed commencing on May 1, 2009. And every five years thereafter:

Hangar Occupancy:

Residence of owner of airplanes that occupy individual hangars at the Airport (as per the current 2004 listing of airplane owners' residences), which equals:

Brockton	= 50.1 %
Hanover	= 21.4 %
West Grey	= 21.4%
Arran-Elderslie	= 7.1 %

Location:

The location of the Airport Lands when compared to the proximity Of each municipal partner:

Brockton	= 30%
Hanover	= 38%
West Grey	= 29%
Arran-Elderslie	= 3 %

Weighting Factors:

The following factors will be applied to the above-noted percentages:
50 % X Hangar Occupancy
50 % X Location

Formula for Sharing of Costs, effective January 1, 2006

Municipality	Hangar Occupancy X 50%	Location X 50%	Total
Brockton	25.05%	15.00%	40.05%
Hanover	10.70%	19.00%	29.70%
West Grey	10.70%	14.50%	25.20%
Arran-Elderslie	3.55%	1.50%	5.05%

SCHEDULE – C (Continued)

Reference = 6.b) for the calendar year 2005 (January 1 to December 31)

For the calendar year 2005, the cost sharing formula for costs outlined in Item 6.a) of the Agreement will apply for 2005 only, and is outlined as follows:

50 % of the 2004 sharing ratios as follows:

Brockton	.5 X 30.9%
Hanover	.5 X 38.5%
West Grey	.5 X 25.8%
Arran-Elderslie	.5 X 4.8%

And

50 % of the sharing ratios effective January 1, 2006, and noted above

Brockton	.5 X 40.05%
Hanover	.5 X 29.70%
West Grey	.5 X 25.20%
Arran-Elderslie	.5 X 5.05%

=

The Sharing ratios for 2005 (adding the above two calculations- 50% X 2004
And 50% X 2006)

Brockton	35.475 %
Hanover	34.100 %
West Grey	25.500 %
Arran-Elderslie	4.925 %