

THE MISSISSIPPI GOLF CLUB, LIMITED

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that a Special Meeting of Shareholders of The Mississippi Golf Club, Limited (the "MGC") will be held at the MGC Clubhouse, 341 Wilson Street, Almonte, ON, on Tuesday, September 26, 2023 at 6:30 p.m. for the following purposes:

1. To consider and if thought fit, approve, a Special Resolution approving the continuation of the MGC as a not-for-profit corporation under the provisions of the Ontario *Not-for-Profit Corporations Act, 2010*, S. O. 2010, c. 15 (the "ONCA") and the filing of Articles of Continuance in connection therewith in the form set out in Schedule "A" hereto (the "Special Resolution"); and
2. Transacting such other business as may properly be brought before the meeting or any adjournment thereof.

This meeting has been called by the President of the Corporation pursuant to Section 10.2 of By-Law No.1 of the MGC and the provisions of the *Corporations Act* (Ontario).

Approval of the Special Resolution will require approval by not less than two-thirds of the shareholders present in person or voting by proxy at the Special Meeting. Approval of any Ordinary Resolutions coming before the Meeting will require approval by a simple majority of the shareholders present in person or voting by proxy at the Special Meeting.

Voting by Proxy

Shareholders who are unable to attend the Special Meeting, or who prefer to register their vote in advance of the meeting, are encouraged to vote on the Special Resolution or any Ordinary Resolution by proxy (a form of which is enclosed with this Notice). To be effective, a completed form of proxy, signed by the shareholder, must be received by the Secretary of the Corporation before any vote is taken at the Special Meeting. Completed proxy forms may be delivered:

- a. by email addressed to Dan Kolar, the Club Pro/Manager at dan@themississippi.ca;
- b. by regular mail addressed to the Secretary of the Mississippi Golf Club at 341 Wilson Street, Almonte, ON, K0A 1A0, received prior to the Special Meeting; or
- c. by dropping off the signed and completed Proxy Form at the Pro shop at 341 Wilson Street, Almonte, ON.

Please note that you may appoint John Stanton, the Club President (or, in his absence, Chris Valentine, the Club Secretary), or another adult person who will be present at the Meeting, as your proxy and direct your proxy as to how you wish to cast your vote in respect of each Resolution.

DATED the 29th day of August, 2023.



John Stanton
President

Schedule "A"

Special Resolution to Approve the Continuance of The Mississippi Golf Club, Limited (the "MGC") as a Not-for-Profit Corporation under the Ontario *Not-For-Profit Corporations Act, 2010*

Background and Recommendation

As outlined in previous communications from the Board of Directors, recent changes to the Ontario *Corporations Act* (the "OCA"), which governs the MGC, will require changes to be made to the corporate structure of the Club. The most significant changes flow from the enactment of the Ontario *Not-for-Profit Corporations Act, 2010* (the "ONCA"), which will now govern not-for-profit corporations. This ONCA took effect Oct. 19, 2021, and under the terms of the new Act, not-for-profit corporations governed by the "old" OCA were given five years (now three) during which to comply with the new legislation.

The ONCA will replace the OCA as the governing legislation for not-for-profit corporations in Ontario. Under the new legislation, the MGC is required to transition to either:

- A. a "not-for-profit" corporation without share capital under the ONCA — under this option the Club will no longer have shareholders; instead, it will have members, and at least one class of members must have voting rights; or
- B. a "for profit" corporation with share capital under the Ontario *Business Corporations Act* — which is the business structure utilized by most incorporated businesses in Ontario.

Doing nothing is not an option. Failure by the MGC to choose one of the two options noted above on or before October 19, 2026 will result in the "dissolution" of the of the MGC.

The Board of Directors has considered the options and received advice from our corporate legal counsel (Shane Kelford of Howard Kelford & DuBois LLP) and we believe that Option A (continuing the MGC as a "not-for-profit" corporation without share capital) is in the best interests of the MGC and its members/shareholders for the following reasons:

1. The MGC has operated as a "not-for-profit" corporation since it was first incorporated in 1919. The initial capital investment of shareholders to purchase a share has always been modest (\$5-\$100) with no expectation by shareholders of a return on their capital investment.
2. Under the *Income Tax Act*, "not-for-profit" corporations such as the MGC are not subject to income tax as long as any profits are re-invested in the corporation. If the MGC were to become a "for profit" corporation under the *Business Corporations Act*, we would lose our tax-exempt status.
3. Certain grants related to "accessibility" and other improvements to the MGC's facilities are only available to "not-for-profit" corporations.
4. Conversion of the MGC to a "for profit" corporation would create an expectation of dividends or other returns to shareholders and raises the risk of a reassessment of the MGC property for municipal tax purposes, which could result in a significant increase in the MGC's property taxes.
5. Conversion of the MGC to a "for profit" corporation raises the risk of a "majority" group of shareholders deciding to sell the corporation to a private investor or developer, who would then have the ability to develop the property for purposes other than a golf course.

It should be noted that under the current not-for-profit status, the MGC has been able to manage membership fees in a responsible fashion, keeping membership fee increases to a minimum and when necessary, keeping increases in line with the cost of living. Under a "for profit" model, profits would be taxable, resulting in a significant impact on the bottom line. That income loss would need to be recovered through our current revenue streams and would likely require a significant increase in membership fees, green fees, and other services offered by the MGC.

The conversion of the MGC to a "not-for-profit" corporation under the ONCA will result in some changes, which will include:

- The Corporation's shares will be cancelled without repayment of capital, and the Corporation will no longer have shareholders; it will have members, who will still be entitled to significant rights and protections.
- At least one class of members must have voting rights.
- More Club members will have voting rights.
- Members will have enhanced access to the financial records of the Club and increased rights to remove directors or officers of the Club if they believe that they are not acting in the best interests of the Club.
- Memberships will be non-transferable and will terminate upon the death of a member or the non-renewal of the membership each year.
- Members will be able to receive notice of meetings and participate in meetings via electronic means.
- The name of the MGC will be changed from "The Mississippi Golf Club, Limited" to the "Mississippi Golf Club".

For the foregoing reasons, the Board of Directors believes that continuation of the MGC as a "not-for-profit" corporation under the ONCA is in the best interest of the MGC and its members/ shareholders, and is recommending that shareholders vote in favour of the Special Resolution set out below. This decision must be approved by "special resolution" of the shareholders, which is a resolution approved by two-thirds of the shareholders in attendance (personally or by proxy) at a special meeting called for the purpose of approving the resolution.

The Board of Directors is recommending that there would be no repayment of "capital" upon the cancellation of the shares for the following reasons:

- The MGC has been issuing shares since 1919, and many shareholders have either died without leaving clear instructions regarding the transfer of shares or have moved out of the area without leaving any contact information. Locating these shareholders would be expensive and time consuming for MGC staff.
- The original capital investment by shareholders has always been modest (\$5 to \$100) with no expectation of a return of capital.
- The repayment of capital would impose a cost to the MGC and reduce funds which could be used for improvements to the MGC facilities.

The Board of Directors has approved the Special Resolution set out below, and believes that continuation of the MGC as a not-for-profit corporation under the new Ontario *Not-for-Profit Corporations Act, 2010* is in the best interest of the MGC and its shareholders.

**Special Resolution of the Shareholders of
The Mississippi Golf Club, Limited**

CONTINUANCE UNDER THE NOT-FOR-PROFIT CORPORATIONS ACT, 2010 (ONTARIO)

RESOLVED AS A SPECIAL RESOLUTION OF THE CORPORATION THAT:

1. The Corporation apply for a Certificate of Continuance under Section 115 of the *Not-for-Profit Corporations Act, 2010* (Ontario) continuing the Corporation under the Act;
2. Upon the issuance of the Certificate of Continuance:
 - (a) the Corporation's charter shall be amended by deleting the provisions of the Corporation's Letters Patent, including any authorized share capital provisions and substituting therefor the provisions set out in the Articles of Continuance attached to this resolution as Appendix I; and
 - (b) all issued shares in the capital of the Corporation shall be cancelled without repayment of capital; and

any two directors or officers of the Corporation are authorized and directed for and on behalf of the Corporation to do all things and execute and deliver all documents as such director or officer considers necessary, desirable or useful to carry out and give effect to this resolution, including execution and delivery of the Articles of Continuance, with such further amendments as they may determine to be necessary or desirable to comply with the requirements of any governmental authority having jurisdiction in respect of the Act, and at any time prior to the issuance of a Certificate of Continuance under the Act, any director or officer is authorized to abandon any application for such Certificate of Continuance as such director or officer considers advisable.

For questions or more information to complete this form, please refer to the instruction page.

Fields marked with an asterisk (*) are mandatory.

1. Corporation Information

Corporation Name *

THE MISSISSIPPI GOLF CLUB, LIMITED

Has the corporation been assigned an Ontario Corporation Number (OCN) ? * ☒ Yes ☐ No

Ontario Corporation Number (OCN) *

16724

Company Key *

000000000

2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

First Name *

Shane

Middle Name

Aaron

Last Name *

Kelford

Telephone Country Code

1

Telephone Number *

613-283-6772

Extension

224

Email Address *

tblair@valleylaw.ca

3. Current Details

Please provide the name of the jurisdiction where the corporation is currently incorporated or continued and the original date of incorporation or amalgamation of the corporation.

Current Corporation Name *

THE MISSISSIPPI GOLF CLUB, LIMITED

Governing Jurisdiction *

Canada

Province *

Ontario

Original Date of Incorporation/Amalgamation *

September 29, 1919

The following supporting documents are required. Please attach these documents with your application:

☒ Incorporating documents or continuance documents if applicable, and all amendments, certified by the officer of the incorporating jurisdiction who is authorized to do so

☐ Letter of Satisfaction/Authorization to Continue issued by the proper officer of the jurisdiction the corporation is leaving

4. Corporation Name

Every corporation must have a name. You need a Nuans report for the proposed name.

The corporation will have: *

- ☒ an English name (example: "Green Institute Inc.")
- ☐ a French name (example: "Institut Green Inc.")
- ☐ a combination of English and French name (example: "Institut Green Institute Inc.")
- ☐ an English and French name that are equivalent but used separately (example: "Green Institute Inc./Institut Green Inc.")

Nuans Report

New Corporation Name (Proposed) *
MISSISSIPPI GOLF CLUB

Nuans Report Reference Number *
000000000

Nuans Report Date *
August 14, 2023

5. General Details

Requested Date for Continuance *
August 14, 2023

Primary Activity Code *
713910

Official Email Address *
board@themiississippi.ca

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

6. Address

Every corporation is required to have a registered office address in Ontario. This address must be set out in full. A post office box alone is not an acceptable address.

Registered Office Address *

☒ Standard Address ☐ Lot/Concession Address

Street Number *
341

Street Name *
Wilson Street

Unit Number

City/Town *
Almonte

Province
Ontario

Postal Code *
K0A 1A0

Country
Canada

7. Directors

A minimum of three (3) directors are required. **Please specify the number of directors for your Corporation ***

☐ Fixed Number ☒ Minimum/Maximum

Minimum Number of Directors *
3

Maximum Number of Directors *
15

Director 1

First Name *
JOHN

Middle Name

Last Name *
STANTON

Email Address
jstanton@myers.ca

Address for Service * ☒ Canada ☐ U.S.A. ☐ International

Street Number *
123

Street Name *
Rushing Brook Drive

Unit Number

City/Town * Carp		Province * Ontario	Postal Code * K0A 1L0
Country Canada			
Director 2			
First Name * ROD	Middle Name	Last Name * AYOTTE	
Email Address rodayotte@yahoo.ca			
Address for Service * <input checked="" type="checkbox"/> Canada <input type="checkbox"/> U.S.A. <input type="checkbox"/> International			
Street Number * 25 - B	Street Name * Florence Street		Unit Number
City/Town * Almonte	Province * Ontario	Postal Code * K0A 1A0	
Country Canada			
Director 3			
First Name * CHRIS	Middle Name	Last Name * VALENTINE	
Email Address cvalentine10@yahoo.ca			
Address for Service * <input checked="" type="checkbox"/> Canada <input type="checkbox"/> U.S.A. <input type="checkbox"/> International			
Street Number * 32	Street Name * Blackbird Lane		Unit Number
City/Town * Stittsville	Province * Ontario	Postal Code * K2S 2C9	
Country Canada			
Director 4			
First Name * CHRIS	Middle Name	Last Name * ST. GERMAIN	
Email Address chrisstgermain@outlook.com			
Address for Service * <input checked="" type="checkbox"/> Canada <input type="checkbox"/> U.S.A. <input type="checkbox"/> International			
Street Number * 361	Street Name * Princeton Avenue		Unit Number
City/Town * Ottawa	Province * Ontario	Postal Code * K2A 3Y5	
Country Canada			
Director 5			
First Name * DON	Middle Name	Last Name * MCLEAY	
Email Address donald.mcleay@gmail.com			
Address for Service * <input checked="" type="checkbox"/> Canada <input type="checkbox"/> U.S.A. <input type="checkbox"/> International			
Street Number * 14	Street Name * Lone Meadow Trail		Unit Number

City/Town *	Province *	Postal Code *
Stittsville	Ontario	K2S 1E1
Country Canada		
Director 6		
First Name *	Middle Name	Last Name *
MIKE		CLARKSON
Email Address clarksons@rogers.com		
Address for Service * <input checked="" type="checkbox"/> Canada <input type="checkbox"/> U.S.A. <input type="checkbox"/> International		
Street Number *	Street Name *	Unit Number
24	Bert G Argue Road	
City/Town *	Province *	Postal Code *
Stittsville	Ontario	K2S 1X9
Country Canada		

8. Purposes and Provisions (Maximum limit is 100,000 characters per text box)

Is the corporation a charity, or does it intend to operate as a charity? * ☐ Yes ☒ No

Purposes

Please set out the purposes of the corporation in the space provided below.

The primary purpose of the corporation listed in the articles must be not-for-profit and should be the first purpose.

You may set out additional purposes, but if any purposes are of a commercial nature, the articles must state that the commercial purpose is to advance or support one or more of the not-for-profit purposes of the corporation.

The purposes of the corporation are *

The operation of a golf and social club for the purposes of promoting interest and participation in the sport of golfing and providing dining, meeting, changing and equipment rooms and other ancillary facilities for members and their guests.

Special Provisions

Please refer to the "Not-for-Profit Corporation Handbook" for items that may be included in the special provisions section. For example, any restrictions on the activities that the corporation may carry on, or on powers that the corporation may exercise, should be set out here.

The following special provision will be included in the articles.

In addition to the required special provision below, you may add additional special provisions in the space provided.

The special provision(s) are

Commercial purposes, if any, included in the articles are intended only to advance or support one or more of the non-profit purposes of the corporation. No part of a corporation's profits or of its property or accretions to the value of the property may be distributed, directly or indirectly, to a member, a director or an officer of the corporation except in furtherance of its activities or as otherwise permitted by this Act.

If the corporation will have additional special provisions, enter them in the space below

The Corporation is authorized to establish two (2) classes of members, Class A Voting Members and Class B Non-Voting Members. Except as otherwise provided by the Not-for-Profit Corporations Act, 2010, S.O. 2010, c.15:

(i) the Class A Voting Members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Class A Voting Member shall have one (1) vote at each such meeting;

(ii) the Class B Non-Voting Members shall not be entitled to receive notice of, attend or vote at meetings of the members of the Corporation; and

(iii) all classes of shares previously authorized to be issued by the Corporation are cancelled without repayment of capital.

9. Required Statements

Required Statements

- ☒ The corporation is to be continued under the *Not-for-Profit Corporations Act, 2010* to the same extent as if it had been incorporated under this Act. *
- ☒ The corporation has complied with subsection 114(2) or 115(4), as applicable, of the *Not-for-Profit Corporations Act, 2010*. *

Authorization Date

- ☒ The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction currently governing the corporation, on the following date: *

Authorization Date *
August 14, 2023

10. Authorization

- ☒ * I, Shane Aaron Kelford

confirm that this form has been signed by all the required persons.

Caution - The Act sets out penalties, including fines, for submitting false or misleading information.

Required Signatures

Name	Position	Signature
Don McLeay	Director	
Name	Position	Signature
Chris Valentine	Director	