

BY-LAW NO. 1

**A by-law relating generally to the conduct
of the affairs of**

Muskoka Conservancy

(the "Corporation")

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BE IT ENACTED as a by-law of Muskoka Conservancy as follows:

Interpretation

1. Definitions

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

"Act" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"board" means the board of directors of the Corporation and "director" means a member of the board;

"by-law" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"meeting of members" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;

"ordinary resolution" means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;

"proposal" means a proposal submitted by a member of the Corporation that meets the requirements of section 163 (Shareholder Proposals) of the Act;

"Regulations" means the regulations made under the Act, as amended, restated or in effect from time to time; and

"special resolution" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

2. Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

Transaction of the Affairs of the Corporation

3. Borrowing Powers

The directors of the Corporation may, without authorization of the members,

- i. borrow money on the credit of the corporation;
- ii. issue, reissue, sell, pledge or hypothecate debt obligations of the corporation;
- iii. give a guarantee on behalf and
- iv. mortgage, hypothecate, pledge or otherwise create a security interest in any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation, subject to the following restrictions:
 - (a) the directors may not secure a debt against a property that is certified under the Ecological Gifts program nor against any property that is or at any time was a nature reserve;
 - (b) a debt may only be secured against other property by a unanimous resolution of the directors.

4. Annual Financial Statements

The Corporation may, instead of sending copies of the annual financial statements and

other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

Membership Conditions

5. Membership

Subject to the articles, there shall be two classes of members in the Corporation, namely, Honourary members and Ordinary members. The following conditions of membership shall apply:

Honourary Members

Honourary members shall be individuals who are admitted by resolution of the board of directors for such term as the board of directors shall determine, shall be entitled to notice of and to attend meetings of members but shall not be entitled to vote and shall not be required to pay any membership fees.

Ordinary Members

Ordinary members may be individuals, associations, firms and corporations who shall be admitted as patrons, supporting members, regular members and student members upon compliance with such conditions of admission to such category of membership and for such term as the board of directors shall from time to time by regulation determine.

Ordinary members shall be entitled to notice, in accordance with the bylaws of the Corporation, and to attend and vote at all meetings of members.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

6. Membership Transferability

A membership is not transferable except to the Corporation. Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the by-laws.

7. Termination of Membership

A membership in the Corporation is terminated when:

- i. the member dies, or, in the case of a member that is a corporation, partnership, trust or other legal entity, upon its dissolution, winding-up or other termination;
- ii. a member fails to maintain any qualifications for membership contained in the bylaws or regulations of the Corporation;
- iii. the member resigns by delivering a written resignation to the Corporation, in which case such resignation shall be effective on the date specified in the resignation;

- iv. the member is expelled or their membership is otherwise terminated in accordance with the articles, by-laws or regulations of the Corporation;
- v. the member's term of membership expires; or
- vi. the Corporation is liquidated or dissolved under the Act.

8. Effect of Termination of Membership

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

9. Discipline of Members

The board shall have authority to suspend or expel any member for any one or more of the following grounds:

- i. violating any provision of the articles, by-laws, regulations or written policies of the Corporation;
- ii. any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion;
- iii. for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the Purposes of the Corporation.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the president, or such other officer as may be designated by the board, shall provide twenty (20) days notice to the member of the suspension or expulsion and the reasons for the proposed suspension or expulsion. The member may, within twenty (20) days of receipt of such notice, make written submissions to the president, or such other officer as may be designated by the board, in response to such notice. In the event that no written submissions are received by the president or such other officer within such twenty (20) day period, the president or such other officer may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of such submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

Meetings of Members

10. Notice of Members Meeting

Notice of the time and place of a meeting of members shall be given to each member of the Corporation by one or more of the following means:

- i. by publication at least once in a publication of the Corporation that is sent to all its members, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- ii. by telephonic, electronic, wireless or other means of communication to each member, during a period of 21 to 35 days before the day on which the meeting is to be held.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

11. Place of Members' Meeting

Meetings of the members may be held at any place determined by the directors within the District Municipality of Muskoka.

12. Quorum at Members' Meetings

A quorum at any meeting of the members shall be 20 (twenty) members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

13. Votes to Govern at Members' Meetings

At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.

14. Right to Vote

At any meeting of members, every person shall be entitled to vote who is, at the time of the meeting, entered in the books of the Corporation as an Ordinary Member of the Corporation. Voting shall be by a show of hands, except if a ballot is demanded by a member entitled to vote at the meeting. Notwithstanding the foregoing, no member who is in arrears in respect of any membership fees payable to the Corporation shall be entitled to attend or vote at any meeting of members.

15. Participation by Electronic Means at Members' Meetings

The board of directors of the Corporation may, in its sole discretion, choose to make available a telephonic, electronic, wireless or other means of communication that permits all participants to communicate adequately with each other during a meeting of members. In that case, any person entitled to attend such meeting may participate in the meeting by such telephonic, electronic, wireless or other means of communication in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other means of communication that the Corporation has made available for that purpose

16. Members' Meeting Held Entirely by Electronic Means

Meetings of members may not be held entirely by telephonic, electronic, wireless or other communication facility.

Directors

17. Number of Directors

The board shall be comprised of the fixed number of directors, within the minimum and maximum number of directors provided for in the Articles, as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board

18. Qualification

No person shall be qualified as a director unless such person is a member of the Corporation, is mentally competent, is eighteen or more years of age and has the capacity under law to contract.

A person who is an "ineligible individual" as defined by the *Income Tax Act* is not qualified to be a director of the Corporation.

19. Term of Office of Directors

At the first election of Directors following the approval of this by-law, one-third (1/3) of the directors shall be elected for a three-year term, one-third (1/3) of the directors shall be elected for a two-year term and one-third (1/3) of the directors shall be elected for a one-year term. Thereafter, except where an election is held to fill the unexpired portion of a term, newly elected directors shall be elected for three-year terms.

A director will be eligible for up to three consecutive terms of three years.

20. Remuneration

The directors shall receive no compensation, either directly or indirectly, for acting as such and shall not receive, either directly or indirectly, any profit from their office. The directors may be paid their travelling and other out-of-pocket expenses properly incurred by them in attending meetings of the board or of the members, and in the performance of such other duties on behalf of the Corporation as are undertaken by them. No confirmation by the members of any such payment shall be required.

21. Calling of Meetings of Board of Directors

Meetings of the board may be called by the chair of the board, the vice-chair of the board or any two (2) directors at any time.

22. Notice of Meeting of Board of Directors

Notice of the time and place for the holding of a meeting of the board shall be given in the manner provided in the section on giving notice in the Regulations to every director of the Corporation not less than 3 days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. No notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at

the meeting.

23. Votes to Govern at Meetings of the Board of Directors

At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

24. Powers of the Board

The board 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, subject to the provisions of the Act, the by-laws of the Corporation and the articles, shall exercise all such other powers and do all such other acts and things as the Corporation is authorized to exercise and do. Without limiting the generality of the foregoing, the making of grants, contributions and scholarships and otherwise rendering financial assistance for the purposes set forth in the articles, shall be within the exclusive power of the board. The board shall review all requests for funds, shall require that the requests specify as to the use of such funds, and upon approval of such application, shall authorize the proper officers to pay such funds to the approved grantee. The board, in its sole and absolute judgment, may refuse to make any grant, contribution or scholarship requested of the Corporation. The board may from time to time adopt such rules and regulations as it may deem advisable to carry out the business of the Corporation. The directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

25. Committees of the Board of Directors

The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors.

Officers

26. Appointment of Officers

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person.

General provisions

27. Invalidity of any Provisions of this By-law

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

28. Omissions and Errors

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

29. By-laws and Effective Date

Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.