

## **BY-LAW NO. 1**

A by-law relating generally to the transaction of the business and affairs of

### **BIG CEDAR LAKE STEWARDSHIP ASSOCIATION** (the "**Corporation**")

**BE IT ENACTED** as a by-law of the Corporation, as follows:

#### **I. HEAD OFFICE**

1.1 The Head Office of the Corporation shall be in the, in the Province of Ontario, and at such place therein as the board of directors (the "Board") may from time to time determine.

#### **II. SEAL**

2.1 The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of the Corporation.

#### **III. BOARD OF DIRECTORS**

3.1 The affairs of the Corporation shall be managed by a Board of directors, (the "Directors" or, individually, a "Director"), consisting of not less than three (3) and not greater than ten (10) Directors, the number to be fixed from time to time by special resolution of the Members. Each Director shall be at least eighteen (18) years of age and at the time of election or within ten days thereafter, a member ("Member") of the Corporation.

The Directors of the Corporation shall be elected and retire in rotation so that at the first meeting of members for the election of Directors following the coming into effect of this Section in accordance hereof, ½ of the Directors shall be elected to hold office until the first annual meeting of Members after such date, ½ of the Directors shall be elected to hold office until the second annual meeting of Members after such date, and thereafter at each annual meeting Directors shall be elected to fill the positions of those Directors whose term of office has expired and each director so elected shall hold office until the second annual meeting after his or her election. The Members of the Corporation may, by resolution passed by at least 2/3 of the votes cast at a general meeting of which notice specifying the intention to pass such a resolution has been given, remove any Director before the expiry of his or her term of office, and may, by a majority of the votes cast at that meeting, elect any person in his or her stead for the remainder of the term.

The office of a Director shall be terminated if such Director:

- (a) becomes bankrupt or is declared insolvent,
- (b) becomes of unsound mind,

- (c) resigns office by notice in writing to the Corporation,
- (d) subject to clause 3.2 hereof, has been absent from more than three (3) consecutive meetings of the Board, between two annual meetings of the Corporation, or
- (e) ceases to be a Member, or
- (f) dies.

3.2 **Leave-of-Absence, Board of Directors** - In the case of extenuating circumstances a leave-of-absence, not to exceed six (6) months, may be granted at the discretion of the Board. Request to be in writing by the Director to the President of the Corporation.

3.3 **Vacancies, Board of Directors** - Vacancies on the Board, however caused, shall, so long as a quorum of Directors remains in office, be filled by the Board from among (subject to clause 3.1) the Members, but if there be not a quorum of Directors, the remaining Directors shall forthwith call a meeting of the Members to fill the vacancies. If the number of Directors is increased between the terms, a vacancy or vacancies, to the number of the authorized increase, shall thereby be deemed to have occurred, which may be filled in the manner above provided.

3.4 **Quorum and Meeting** - A majority of the Directors shall form a quorum for the transaction of business. Except as otherwise required by law, the Board may hold its meetings at the Head Office of the Corporation or at any 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 be present, or if those absent have signified their consent to the meeting being held in their absence and any action taken at such meeting shall be as valid and effectual as if it had been taken at a meeting duly called and constituted. Meetings of the Board may be formally called by the President or by any two Directors or by the Secretary on direction of any of the foregoing. Notice of such meetings shall be sent by personal delivery, prepaid mail, by facsimile transmission or other electronic means or given by telephone to each Director not less than forty-eight (48) hours before the meeting is to take place. 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 meeting of the Board may also be held, without notice, immediately following the annual meeting of the Corporation. The Board may consider or transact any business, either special or general, at any meeting of the Board.

3.5 **Errors in Notice, Waiver** - No error or omission in giving such notice for a meeting of the Board 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.

3.6 **Voting** - Questions arising at any meeting of the Board shall be decided by a majority of votes of those present and voting. In case of an equality of votes, the chair of the meeting shall have a second or casting vote. All votes at any such meeting shall be taken by ballot if so demanded by any Director present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the chair of the meeting that a resolution has been carried and an 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.

3.7 **Powers** - The Board shall have full power with respect to all affairs of the Corporation and no by-law or resolution passed or enacted by the Board, or any other action taken by the Board, requires confirmation or ratification by the Members in order to become valid or to bind the Corporation, unless such confirmation or ratification is required by statute.

3.8 **Remuneration** - The Directors shall not receive any remuneration for acting as such. The Directors shall be entitled to receive compensation for any expenses incurred by them upon proof of such expenses.

#### IV. COMMITTEES

4.1 **Appointment** - The Board may appoint such committees as it, from time to time, considers advisable.

4.2 **Power of Committees** - No committee shall have the power to act for or on behalf of the Corporation or otherwise commit or bind the Corporation to any course of action. Committees shall only have the power to make recommendations to the Board, or to the Members, as the Board may, from time to time, direct.

4.3 **Membership on Committees** - Members of committees shall be appointed by, and hold office at the pleasure of the Board. Members of Committees need not be members of the Board.

4.4 **Reports of Committees** - The chair of each committee shall submit to the Board such reports as the Board may, from time to time, request, but, in any event, each chair shall submit an annual report to the Board at such time as the Board may, from time to time, determine.

#### V. OFFICERS

- 5.1 (a) There shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, or in lieu of a Secretary and a Treasurer, a Secretary-Treasurer (the "Officers") and such other officials as the Board may determine from time to time. All the officers shall be elected by the Board from among their number at the first meeting of the Board after each election of directors. No person may hold more than one office (except for the offices of Secretary and Treasurer). In default of election or appointment, the then incumbents (being members of the Board) shall hold office until their successors are elected or appointed;
- (b) In the absence of written agreement to the contrary the employment of all Officers and officials shall be settled from time to time by the Board.
- (c) Any Officer or official may be removed from office by the Board which may fill any vacancy so occurring for the remainder of the term of such Officer or official.

5.2 **Duties of President** - The President shall, when present, preside at all meetings of the Members of the Corporation and of the Board. The President with the Secretary, or other Officer appointed by the Board for the purpose, shall sign all by-laws. The President shall be, ex officio, a member of all committees. The President shall, subject to the authority of the Board, have the general direction and supervision of the affairs and business of the Corporation, shall be the Chief Executive Officer of the Corporation and shall have the power to appoint and remove all officials, employees and agents of the Corporation not appointed by the Board and to settle the terms of their employment and remuneration. The President shall perform such other duties as may from time to time be determined by the Board. In the temporary absence of the President or in the inability of the President to perform duties, the Board shall appoint an acting president.

5.3 **Duties of Vice-Presidents** – A Vice-President shall:

- (a) exercise the duties and powers of the President during the absence or disability of the President, such Vice-President to be appointed to exercise such duties and powers from among the Vice-Presidents of the Corporation (if more than one) in order of seniority, as determined by the Directors; and
- (b) perform such duties and exercise such powers as the President may from time to time delegate to him or her or that the Directors may prescribe.

5.4 **Duties of Secretary** - The Secretary shall:

- (a) attend all meetings of the Board and of the Members and record all facts and minutes of all proceedings in the books kept for the purpose,
- (b) give all notices required to be given to Members and to Directors,
- (c) be the custodian of the seal of the Corporation and of all books, papers, records, contracts and other documents belonging to the Corporation which shall be delivered up only when authorized by a resolution of the Board and to such person or persons as may be named in the resolution, and
- (d) perform such other duties as may from time to time be determined by the Board.

5.5 **Duties of Treasurer** -The Treasurer shall:

- (a) Keep proper books of account and accounting records with respect to the capital and income of the Corporation;
- (b) Invest the funds of the Corporation not required for immediate use;
- (c) Render to the Board whenever called upon an account of all transactions of the Treasurer and of the financial position of the Corporation; and
- (d) Perform such other duties as may from time to time be determined by the Board.

5.6 **Duties of Other Officers** - The duties of all other Officers and officials of the Corporation shall be such as the terms of their engagement call for or the Board requires of them.

5.7 **Delegation of Duties** - In case of the absence or inability of any Officer or official, or for any other reason that the Board may deem sufficient, the Board may, subject to the provisions of Section 5.3, from time to time, delegate all or any of the powers of such Officer or official to any other Officer, official or to any Director.

## VI. MEMBERS

6.1 **Class** - There shall be one class of Members who shall be those persons admitted as such by the Board.

6.2 **Termination of Membership** - The membership of any Member shall be terminated if such Member:

- (a) becomes bankrupt or is declared insolvent;
- (b) becomes of unsound mind;
- (c) resigns by notice in writing to the Corporation;
- (d) is removed from Membership by a resolution passed by at least two-thirds of the votes cast at a meeting of Members called for the purpose; or
- (e) dies.

6.3 **Annual and other Meetings of Members** - 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 may determine and on such day as the Board shall appoint.

At every annual meeting, in addition to any other business that may be transacted, the report of the Board, the financial statement and report of the auditors shall be presented and the Directors shall be elected. The Members may consider and transact any business either special or general without any notice thereof at any meeting of the Members. The Board or the President shall have the power to call at any time a general meeting of the Members. No public notice nor advertisement of Members' meetings, annual or general, shall be required, but notice of the time and place of every such meeting shall be given to each Member by sending the notice by personal delivery, prepaid mail, facsimile transmission or by other electronic means ten (10) days or more before the time fixed for the holding of such meeting.

6.4 **Voting** - Questions arising at any meeting of the Members shall be decided by a majority of votes of those present and voting. In case of an equality of votes, the chair of the meeting shall have a second or casting vote. All votes at any such meeting shall be taken by ballot if so demanded by any Member present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the chair of the meeting that a resolution has been carried and an 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.

6.5 **Errors in Notice, Waivers** - No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the Members 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.

6.6 **Fees and Remuneration** - No remuneration shall be paid to Members for serving as such. Members shall pay annual fees at a rate determined from time to time by resolution of the Board of Directors.

## VII. GENERAL

7.1 **Adjournments** - Any meetings of the Members or of the Board may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum be present.

7.2 **Persons Entitled to be Present** - The only persons entitled to be present at a meeting of Members or of the Board shall be those entitled to vote thereat, the auditors of the Corporation (at meetings of Members only), and others who, although not entitled to vote are entitled or required under any provision of applicable legislation or the by-laws of the Corporation to be present. Any other person may be admitted only on the invitation of the chair of the meeting and with the consent of the meeting.

7.3 **Disclosure of Interest** - Every Director, Officer, official or Member who has, directly or indirectly, any interest in any contract or transaction to which the Corporation is or is to be a party, other than a contract or transaction limited solely to remuneration as a Director or Officer, shall declare such interest at the next meeting of the Board or the Members after such person became aware of such interest and shall, at that time, disclose the nature and extent of such interest as required by all applicable legislation.

7.4 **Dissolution** - Upon the dissolution of the Corporation and after the payment of all debts and liabilities, the remaining property of the Corporation shall be disposed of and transferred to the Members.

7.5 **Remuneration** - The Board hereby delegates to such Directors, Officers or officials as it may, from time to time, determine, by resolution, the determination of the remuneration of the Officers, officials and employees of the Corporation.

7.6 **Execution of Documents** - Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by either the President or 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 any two of the President, the Secretary or the Treasurer or by any persons authorized by the Board.

Any two of the President, the Secretary and the Treasurer, or any persons from time to time designated by resolution of the Board may vote or 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 or 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 transfer, 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 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.

7.7           **Books and Records** -The Board shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by all applicable legislation are regularly and properly kept.

7.8           **Notice** - Whenever under the provisions of the by-laws of the Corporation notice is required to be given, unless otherwise provided herein, such notice may be given either personally, by facsimile transmission or other electronic means or by depositing same in a post office or a public letterbox, in a prepaid, sealed wrapper addressed to the Director, Officer or Member at the address as the same appears on the books of the Corporation. A notice or other document so sent by post shall be held to be given at the time when the same was deposited in a post office or public letterbox as aforesaid, or if by facsimile transmission or other electronic means shall be held to be sent when the same was transmitted. The declaration by the Secretary or the President that any such notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. For the purpose of sending any notice the address of any Member, Director, or Officer shall be the last address of such person as recorded on the books of the Corporation. Any person entitled to receive any such notice may waive such notice either before or after the meeting to which such notice refers.

## VIII. FINANCE

8.1           **Cheques, etc.** - 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 (2) Officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board and any one 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. Any two (2) 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 forms or settlement of balances and release or verification slips.

8.2           **Securities** - 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. 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 and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians of the Corporation shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

8.3           **Auditors** - The Members shall, at each annual meeting, appoint an auditor or auditors of the Corporation, and, in default of such appointment, the Board shall make such appointment. Any auditor so appointed shall hold office until the next annual meeting.

8.4           **Financial Year** - The financial year of the Corporation shall end on December 31st in each year.

## **IX. INDEMNIFICATION AND PROTECTION OF DIRECTORS AND OFFICERS**

9.1           All Directors or Officers and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses whatsoever which such Director or Officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against such Director or Officer for or in respect of any act, deed, matter or thing whatsoever, made done or permitted by such Director or Officer in or about the execution of the duties of the office; and
- (b) all other costs, charges and expenses that such Director or Officer sustains or incurs in or about or in relation to the affairs of the Corporation, except such costs, charges or expenses as are occasioned by the wilful neglect or default of such Director or Officer.

9.2           No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person, firm or corporation with whom any moneys, securities or effects of the Corporation shall be deposited, or for any loss, conversion,



misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation, or for any loss occasioned by any error of judgment or oversight on such person's part, or for any loss, damage or misfortune whatever which may happen in the execution of the duties of such office or in relation thereto unless the same shall happen through such person's own wilful neglect or default.

The Board may rely upon the accuracy of any statement or report prepared by the Corporation's auditors and shall not be responsible or held liable for any loss or damage resulting from any actions based upon such statement or report.

The Board may, from time to time, cause the Corporation to give indemnities to any Director, Officer, official, or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and to secure such person against loss by mortgage or charge upon the whole or any part of the real and personal property of the Corporation by way of security. Any such action taken, from time to time, by the Board shall not require approval or confirmation by the Members.

## **X. AMENDMENTS**

10.1 The By-laws of the Corporation may be repealed, amended or added to by By-law enacted by an affirmative vote of a majority of Directors present and voting at a meeting of the Board and sanctioned by an affirmative vote of at least two-thirds of the votes cast at a meeting of Members duly called for the purpose of considering such By-law.

**Dated** this 14<sup>th</sup> day of April, 2011.

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President – **Brian Stock**

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Secretary – **Darcy Wefers**