

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

**FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)**

(the "Corporation")

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

**1. Head Office**

The head office of the Corporation shall be in the City of Hamilton in the Province of Ontario, at such place therein as the Board (as hereinafter defined) may from time to time by resolution determine.

**2. Directors**

**2.01 Board of directors.** The affairs of the Corporation shall be managed by a board of directors (herein referred to as the "Board") consisting of three (3) directors. The directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the by-laws or any resolution of the Corporation or by statute expressly directed or required to be done by the Corporation at a meeting of members. The board of directors of the Corporation is hereby empowered to determine the number of directors of the Corporation hereafter from time to time by resolution of the board.

**2.02 Qualification of directors.** Directors shall be individuals, eighteen or more years of age and must have the power under law to contract. Directors shall be members of the Corporation by virtue of election or appointment as directors. No undischarged bankrupt shall become a director.

**2.03 Election of directors and term of office.**

- (1) The applicants for incorporation shall be the first directors of the Corporation whose term of office on the Board shall continue until their successors are elected or appointed.
- (2) The directors' term of office (subject to the provisions, if any, of the letters patent or any supplementary letters patent issued to the Corporation) shall be from the date of the meeting at which they are elected or appointed until the next annual meeting next following or until their successors shall have been duly elected or appointed whichever comes first.
- (3) Directors shall be elected by the members at each annual meeting of the Corporation on a show of hands, unless a poll is demanded and, if a poll is demanded, such election shall be by ballot.
- (4) From time to time in the event of any vacancy however caused occurring in the Board (except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the directors if they shall see fit to do so; otherwise, such vacancy may be filled at the next meeting of members.

**2.04 Vacation of office.** Persons cease to be directors of the Corporation:

- (1) if they become a bankrupt; or
- (2) if they are found by a court to be mentally incompetent or of unsound mind; or
- (3) if by notice in writing to the Secretary of the Corporation they resign their office;
- (4) if they cease to be a member of the Corporation; or
- (5) on death.

**2.05 Removal of directors.** The members of the Corporation may, by resolution passed by at least two-thirds ( $\frac{2}{3}$ ) of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of their term of office and may, by majority of the votes cast at such meeting, elect a new director in their stead for the remainder of their term.

**2.06 Remuneration of directors.** The directors of the Corporation shall serve without remuneration and directors shall not directly or indirectly receive any profit from their position as such; provided that directors may be paid reasonable expenses incurred by them in the performance of their duties.

**2.07 Conflict of Interest.**

- (1) Any director who has an interest directly or indirectly in a proposed contract or transaction or any contract or transaction with the Corporation shall declare their interest in the contract or transaction at a meeting of the Board.
- (2) In the case of a proposed contract or transaction, the director shall declare their interest at the meeting of the Board at which the question of entering into the contract or transaction is first taken into consideration or if they are not present at such meeting, then at the first Board meeting held thereafter. If the director is not at the date of that meeting interested in the proposed contract or transaction, they shall make the declaration at the first Board meeting which is held after they became interested in the proposed contract or transaction. In the case where the director becomes interested in a contract or transaction after it is made, the director shall declare their interest at the first Board meeting held after they become so interested.
- (3) Directors and their families shall not enter into and shall not have any interest in any proposed contract or transaction with the Corporation, except
  - (a) on a competitive basis or other basis in writing, and
  - (b) where the director has declared any interest therein, and where they have absented themselves in the meeting in which the matter is discussed and where they have refrained from voting thereon.
- (4) Directors shall not vote on any matter in which they have a direct or indirect financial interest and shall declare the details of such interest prior to the discussion and vote on such matter.
- (5) Any director who has declared an interest in any proposed contract or transaction or contract or transaction or other financial interest with the Corporation which is being discussed by the Board, shall absent themselves during the discussion of and vote upon the matter and the event shall be recorded in the minutes.

**3. Meetings of Directors**

**3.01 Place of meeting and notice.**

- (1) Meetings of the Board may be held either at the head office of the Corporation or at any place within Canada. A meeting of the Board may be convened by the Chairperson of the Board or any two directors at any time and the Secretary by direction of the Chairperson of the Board or any two directors shall convene a meeting of directors.
- (2) Notice of any meeting of the Board shall be delivered or mailed or e-mailed or sent by facsimile or otherwise communicated to each director not less than fourteen days if mailed and not less than ten days if delivered, sent by facsimile or otherwise communicated (exclusive of the day on which the notice is delivered or mailed or sent by facsimile or otherwise communicated but inclusive of the day for which notice is given) before the meeting is to take place; provided always that meetings of the Board may be held at any time without formal notice if all the directors are present or those absent

have waived notice or have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director.

- (3) For the first meeting of the Board to be held immediately following the election of directors at an annual or general meeting of the members or for a meeting of the Board at which a director is appointed to fill a vacancy in the Board, no notice of such meeting need be given to the director or directors so elected or appointed in order for the meeting to be duly constituted, provided that a quorum of the directors is present.

**3.02 Chairperson.** From time to time the Board shall elect from among its members a Chairperson of the Board. The Chairperson of the Board shall, when present, preside at all meetings of the Board and of the members. In the absence of the Chairperson of the Board at a meeting of the Board, the directors present shall choose one of their number to be Chairperson of the meeting.

**3.03 Quorum.** A quorum at any meeting of the Board shall be the presence of at least two thirds ( $\frac{2}{3}$ ) of the directors then in office. Where all directors consent generally or with respect to a particular meeting, a director may participate in a directors' meeting by telephone or any other communication facilities that permit all persons participating in the meeting to hear each other.

**3.04 Voting.**

- (1) Questions arising at any meeting of the Board shall be decided by a majority of votes.
- (2) At any meeting unless a poll is demanded, a declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

**4. Officers**

**4.01 Officers.** The Board shall annually or as often as may be required, appoint a Chairperson, a Secretary and a Treasurer. The Chairperson shall be a member of the Board but the other officers are not required to be members of the Board. The Board may appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.

**4.02 Remuneration and removal of officers.** All officers shall be entitled to be reimbursed for reasonable expenses incurred in the performance of their duties. Officers who are directors shall receive no other remuneration. Officers who are not directors may be paid such remuneration as may be determined from time to time by the Board. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time with or without cause.

**4.03 Delegation of duties of officers.** In the case of absence or inability to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

**4.04 Chairperson.** The Chairperson is assigned all of the duties of the President and as such shall exercise general supervision over the affairs of the Corporation and shall carry out the policies of the Board. The Chairperson shall chair the meetings of the Board and the members. The Chairperson shall have such other powers and duties as may from time to time be assigned to him or her by the Board or are instant to his or her office.

**4.05 Secretary.** The Secretary shall, when present, act as secretary of all meetings of directors and members, shall have charge of the minute books and the corporate seal of the Corporation and the documents and registers referred to in the *Canada Corporations Act*. The Secretary shall have such other powers and duties as may from time to time be assigned to him or her by the Board or as are incident to his or her office.

**4.06 Treasurer.** Subject to the provisions of any resolution of the Board, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depository or depositories as the Board may direct. The Treasurer shall have such other powers and duties as may from time to time be assigned to him or her by the Board or as are incident to his or her office.

**4.07 Vacancies.** If the office of the Chairperson, Secretary, Treasurer or other officer, shall be or become vacant by reason of death, resignation, disqualification or otherwise, the directors may elect or appoint an officer to fill such vacancy.

## **5. Committees**

The Board may from time to time constitute such committees as it deems necessary to assist the directors in carrying on the affairs of the Corporation and shall prescribe the duties of any such committees. Any committee member may be removed by a majority vote of the Board. Committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.

## **6. Indemnities to Directors, Officers and Others**

Every director or officer of the Corporation or any other person who has undertaken or is about to undertake any liability on behalf of the Corporation and his or her 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, officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her, in or about the execution of the duties of his or her office; and
- (b) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

## **7. For the Protection of Directors and Officers**

- (1) No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee 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 or 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 or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through such director's or officer's own wrongful and willful act or through his or her own wrongful and willful neglect or default.
- (2) The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the Board.

## **8. Membership**

**8.01 Members.** The members shall consist of the first directors of the Corporation and all those subsequently elected or appointed as directors of the Corporation. Membership shall be voluntary. There shall be no membership fees or dues payable by members. There shall be maintained at the Head Office of the Corporation, a list of members in good standing.

**8.02 Voting.** Members are entitled to one vote per member and to vote at all annual and general meetings.

**8.03 Termination of Membership.** The interest of a member in the Corporation is not transferrable and a membership lapses and ceases to exist:

- (a) when the member's period of membership (if any) expires;
- (b) when the member ceases to be a member by resignation or otherwise in accordance with the by-laws;
- (c) when the member ceases to be a director by resignation or for any other reason; or
- (d) on death.

**8.04 Resignation.** Any member of the Corporation may resign as a member of the Corporation by letter addressed to the Secretary of the Corporation at the head office of the Corporation.

## **9. Meetings of Members**

**9.01 Annual meetings.** The Corporation shall hold an annual meeting of its members not later than eighteen months after its incorporation and subsequently not more than fifteen months after the holding of the last preceding annual meeting. The annual meeting of the members shall be held at the head office of the Corporation, or such other place within Canada, on such day in each year and at such time as the Board may by resolution determine. At annual meetings there shall be presented a report of the directors of the affairs of the Corporation for the previous year, a financial statement of the Corporation, the auditor's report and such other information or reports relating to the Corporation's affairs as the directors may determine. A reminder of the proxy right shall be included in the Notice of any meeting.

**9.02 General meetings.** Other meetings of the members (to be known as "general meetings") may be convened by order of the Chairperson of the Board or by the Board to be held at any date and time and at any place within Canada. In addition, the Chairperson shall call a general meeting of the members upon receipt of a written requisition to do so of not less than sixty percent (60%) of the members entitled to vote at such meeting. A reminder of the proxy right shall be included in the Notice of any meeting.

**9.03 Notice.** A printed, written or typewritten notice stating the day, time and place of a meeting of the members and the general nature of the business to be transacted shall be served by sending such notice to each member of such meeting and to the auditor of the Corporation through the post in a prepaid wrapper or letter not less than fourteen nor more than sixty days (exclusive of the day of mailing but including the day for which notice is given) before the date of every meeting directed to such address of each such member and of the auditor as appears on the books of the Corporation, or if no address is given therein, then to the last address of each such member or auditor known to the Secretary; provided always that a meeting of members may be held for any purpose at any date and time and at any place within Canada without notice if all the members are present in person at the meeting or if all the absent members shall have signified their assent in writing to such meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any member or by the auditor of the Corporation.

**9.04 Omission of notice.** The accidental omission to give notice of any meeting or the non-receipt of any notice by any member or by the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of members.

**9.05 Contents of notice.** Notice of any meeting of members shall include a statement of the right of such member to appoint a proxy, who need not be a member, to exercise the same voting rights that the member appointing such proxy would be entitled to exercise if present at the meeting. The notice of such meeting shall contain sufficient information concerning such business to permit the member to form a reasoned judgment on the decision to be taken.

**9.06 Proxies.** At any meeting of members, a proxy duly and sufficiently appointed in writing by a member shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing such proxy, the same voting rights that the member appointing him or her would be entitled to exercise if present at the meeting. A proxy need not be a member of the Corporation.

**9.07 Chairperson.** In the absence of the Chairperson of the Board, the members present at any meeting of members shall choose another director to act as Chairperson of the meeting and if no director is present or if all the directors present decline to act as Chairperson, the members present shall choose one of their number to be Chairperson of the meeting.

**9.08 Voting.**

- (1) Every question submitted to any meeting of members shall be decided by a majority of votes given on a show of hands unless otherwise specifically provided by statute or by these by-laws. Each regular member shall be entitled to one vote if present at a meeting in person or by proxy.
- (2) At any meeting, unless a poll is demanded, a declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

**9.09 Polls.** If at any meeting a poll is demanded on the election of a Chairperson or on the question of adjournment, it shall be taken forthwith without adjournment. If a poll is demanded on any other question it shall be taken in such manner and either at once or later at the meeting or after adjournment as the Chairperson directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

**9.10 Adjournments.** The Chairperson may with the consent of any meeting adjourn the same from time to time and no notice of such adjournment need be given to the members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

**9.11 Quorum.** A quorum for the transaction of business at any meeting of members shall consist of two thirds ( $\frac{2}{3}$ ) of the members present in person or represented by proxy.

**10. Enactment, Repeal and Amendment of By-laws**

- (1) By-laws of the Corporation may be enacted, and the by-laws of the Corporation repealed or amended, by by-law enacted by at least two-thirds ( $\frac{2}{3}$ ) of the directors present at a meeting of the Board and sanctioned by at least two-thirds ( $\frac{2}{3}$ ) of the members present at a meeting of members duly called for the purpose of considering such by-law; provided always that the repeal or amendment of a by-law of the Corporation shall not be enforced or acted upon until the approval of the Minister of Industry Canada shall have been obtained. The quorum at any meeting of the directors or members for the purpose of repealing or amending the by-laws shall be two-thirds ( $\frac{2}{3}$ ) of the directors or members, as the case may be.
- (2) A copy of any by-law to be sanctioned at an annual or general meeting of members (including a by-law which amends or repeals an existing by-law) shall be sent to every member of the Corporation with the notice of such meeting.

## 11. Auditors

The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation to hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed from time to time by the Board.

## 12. Notices

**12.01 Service.** Any notice to be given to any member or director or auditor shall be served either personally, by facsimile or by sending it through the mail in a prepaid envelope or wrapper addressed to such member, director or auditor at their address as the same appears in the books of the Corporation or, if no address be given therein, then to the last address of such member, director or auditor known to the Secretary of the Corporation. With respect to every notice sent by mail, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into a Post Office or into a Post Office letter box.

**12.02 Signatures to notices.** The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

**12.03 Computation of time.** Where a given number of days notice or notice extending over any period is required to be given, the day of service or posting of the notice shall, unless it is otherwise provided herein, be counted in such number of days or other period.

**12.04 Proof of service.** A certificate of the Chairperson, the Secretary or the Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing, sending or delivery of any notice to any member, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, director, officer or auditor of the Corporation, as the case may be.

## 13. Cheques, Drafts, Notes, etc.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the Board may from time to time designate by resolution.

## 14. Execution of Contracts, etc.

- (1) Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any two (2) of the directors and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.
- (2) The corporate seal of the Corporation may when required be affixed to contracts, documents or instruments in writing signed as aforesaid, by any officer or officers, person or persons, appointed as aforesaid by resolution of the Board.
- (3) The term "contracts, documents or instruments in writing" as used herein shall include deeds, mortgages, hypotheca, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings.
- (4) In particular, without limiting the generality of the foregoing, any two (2) of the directors are authorized to sell, assign, transfer, exchange, convert or convey any and all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal of the Corporation or otherwise) all assignments, transfers,

conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, bonds, debentures, rights, warrants or other securities.

**15. Financial Year**

The Board may by resolution fix the financial year end of the Corporation and the Board may from time to time by resolution change the financial year end of the Corporation.

**16. Interpretation**

In all by-laws and special resolutions of the Corporation, the singular shall include the plural and the plural the singular; the word "person" shall include firms and corporations, and the masculine shall include the feminine and the neuter. Whenever reference is made in any by-law or any special resolution of the Corporation to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment or re-enactment of such statute or section thereof, as the case may be.

**ENACTED** the \_\_\_\_\_ day of \_\_\_\_\_, 2004.

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GRAHAM FLINT

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\_\_\_\_\_  
MARK RUDOLPH

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JAMES VAN HEES