

**THIS IS SCHEDULE "A"** referred to in a Resolution of the Board of Directors of McKenzie-Clearwater Fire Protection Corporation (**the "Corporation"**) dated June 23, 2012.

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

A by-law relating generally to the transaction of the business and affairs of **McKenzie-Clearwater Fire Protection Corporation**.

### **CONTENTS** **SECTION ONE – INTERPRETATION**

1.1 **OBJECTIVES** - The objectives of the Corporation are as follows:

- (a) To provide a fire department which will promote, govern and improve its fire protection, and emergency first response services;
- (b) To maintain and increase the interest in fire protection, fire prevention and educate the general public in fire safety;
- (c) To have and exercise a general care, supervision and direction over the fire department;
- (d) To educate on questions arising from and pertaining to fire protection;
- (e) To foster among its members, supporters, and department, a general community spirit;
- (f) To ensure such fire protection, prevention or improvements are accomplished with no remunerations rendered to the executive members and Board of Directors.

1.2 **DEFINITIONS** - In the By-laws of the Corporation, unless the context otherwise requires:

**"ACT"** means *The Corporations Act* of Ontario (the "Act"), and the Regulations passed pursuant to that Act and any legislation that may be substituted therefore;

**"BOARD"** means the Board of Directors of the Corporation;

**"BY-LAWS"** means this By-law and all other by-laws of the Corporation from time to time enacted by the Corporation and being in force and effect;

**"CORPORATION"** means the body corporate incorporated or continued under the Act and named in the Articles;

**"MEETING OF MEMBERS"** means an annual meeting of Members and/or a special meeting of Members of the Corporation;

**"MEMBER"** means a person described in Subsection 9.1;

"PERSON" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

1.3 **INTERPRETATION** - All terms which are contained in the By-laws of the Corporation and which are defined in the Act, but not defined in any by-law, shall have the meanings given to such terms in the Act; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

## **SECTION TWO - BUSINESS OF THE CORPORATION**

2.1 **REGISTERED OFFICE** - Until changed in accordance with the By-Law, the registered office of the Corporation shall be at Clearwater Bay, in the Province of Ontario, or at such location within Ontario as the Board may from time to time determine.

2.2 **CORPORATE SEAL** - Until changed by the Board, the corporate seal of the Corporation shall be in the form impressed.

2.3 **FINANCIAL YEAR** - The financial or fiscal year of the Corporation shall be December 31 or such other date as determined by resolution of the Board.

2.4 **EXECUTION OF INSTRUMENTS** - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of President, or Vice-President and the other of whom holds the office of Secretary or Treasurer, or any other office created by by-law or resolution of the Board. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.5 **BANKING ARRANGEMENTS** - The banking business of the Corporation, including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

## **SECTION THREE - ACCOUNTS AND CHARITABLE CHARACTER**

3.1 **RECORDING OF MONIES** - All monies received by the Corporation shall be deposited in the Corporation's bank account as nearly as possible from day to day and all payments shall be made by cheque on the Corporation's bank.

3.2 **ACCOUNTING RECORDS** - The Directors shall cause accounts to be kept of the assets and liabilities of the Corporation, of all monies received by the Corporation, of all monies invested by the Corporation and of all monies distributed by the Corporation and of the matters in respect of which credits and expenditures take place.

The books of the Corporation shall be kept at the registered office of the Corporation.

3.3 **TREASURER'S REPORT** - The Treasurer shall, at least once in every year and more often if deemed proper by the Board, place before the Board a statement of revenue and expenses and a balance sheet.

3.4 **APPOINTMENT OF AUDITORS OR ACCOUNTANTS** - The Members, at the annual meeting of Members, shall, after considering the recommendation of the Board, in addition to transacting such other business as referred to in Section 9.2, appoint a chartered accountant or a firm of independent chartered accountants to be either the auditor(s) or the accountant(s) of the Corporation for the coming year and to audit or otherwise comment and report on all of the accounts, records, and financial affairs of the Corporation at the next annual meeting of the Board and Members of the Corporation. The Board shall approve each year the remuneration to be paid to the auditors or accountants of the Corporation.

3.5 **MAINTENANCE OF CHARITABLE STATUS** - The Board shall at all times conduct the affairs of the Corporation in such a manner so as to maintain the charitable status of the Corporation in accordance with the provisions of the Income Tax Act (Canada), as the Board shall determine from time to time.

#### **SECTION FOUR – DIRECTORS**

4.1 **NUMBER OF DIRECTORS AND QUORUM** - Until changed in accordance with the By-law of the Corporation, the Board shall consist of a minimum of Three (3) Directors and a maximum of fifteen (15) Directors. The quorum for the transaction of business at any meeting of the Board shall consist of a minimum of 1 Executive and 4 Directors. Each Director is authorized to exercise one (1) vote. Conference call attendance and voting is permitted, with these individuals included as part of the quorum.

4.2 **QUALIFICATION** - No person shall be qualified for election as a Director if he is less than eighteen (18) years of age; and must be a Member in good standing (see 9.1); if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; if he has the status of a bankrupt or suspends payments or makes a compromise with his creditors.

4.3 **ELECTION AND TERM OF OFFICE** - The Directors shall be elected by the Members and shall serve until the next annual meeting of Members or until their successors are elected or appointed;

Directors shall be eligible for re-election at the annual meeting of the Members.

4.4 **REMOVAL OF DIRECTORS BY MEMBERS** - Subject to the provisions of the Act, the Members may, by resolution of a two-thirds majority of Members passed at a special meeting of Members, remove any elected Director from office and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the Directors.

4.5 **VACATION OF OFFICE** - A Director ceases to hold office when:

- (a) he dies;
- (b) he is removed from office by a resolution of the Members, in accordance with Section 4.4;

- (c) he is of unsound mind and has been found so by a Court in Canada or elsewhere;
- (d) he has the status of a bankrupt, or suspends payments, or makes a compromise with his creditors;
- (e) his written resignation is sent or delivered to the Corporation or, if a time is specified in such resignation, at the time so specified, whichever is later; or
- (f) he is not re-elected and his successor is elected.

The Board may continue to act notwithstanding any vacancy in their number.

4.6 **REMOVAL OF DIRECTORS FOR FAILURE TO ATTEND AND VACANCIES** - In the event of a Director failing to attend three (3) consecutive meetings of the Board without reasonable excuse, the sufficiency whereof shall be in the sole discretion of the Board, the Board may rescind and terminate such Director's appointment as a member of the Board, and the Board shall, within a reasonable time thereafter, appoint a replacement to fill such vacancy for the unexpired portion of such term. Subject to the provisions of the Act, a quorum of the Board may fill a vacancy in the Board. In the absence of a quorum of the Board, the Board shall forthwith call a special meeting of Members to fill the vacancy.

4.7 **ACTION BY THE BOARD** - Subject to the provisions of the Act, the Board shall have the full power in all things to manage and administer the business and affairs of the Corporation, which shall, for greater certainty, include the authorization for and on behalf of the Corporation to purchase stocks, bonds, debentures and other securities and to invest the funds of the Corporation therein. Subject to Sections 4.8 and 4.9, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present. Where there is a vacancy in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remain in office.

4.8 **MEETINGS BY TELEPHONE** - A Director may participate in a meeting of the Board or of a committee of the Board by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a Director holds office.

4.9 **PLACES OF MEETINGS** - Meetings of the Board may be held at any place in Canada.

4.10 **CALLING OF MEETINGS** - Meetings of the Board shall be held from time to time and at such place as the President, failing whom, the Vice-President, failing who, not less than two (2) Directors may determine.

4.11 **NOTICE OF MEETING** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 10.1 to each Director not less than seven (7) days before the time when the meeting is to be held. A notice of meeting of Directors need not specify the purpose of the business to be transacted at the meeting, except where the Act requires such purpose of business to be specified. A Director may in any manner waive notice of or otherwise consent to a meeting of the Board. Except as provided herein, no public notice or advertising of any meeting of the Board shall be required.

4.12 **CHAIRMAN** - The President of the Corporation, failing whom, the Vice-President, shall be

the Chairman of any meeting of the Board. If no such Officer is present, the Directors present shall choose one of their number to be the Chairman.

- 4.13 **VOTES TO GOVERN** - At all meetings of the Board, every question and all powers, authority and discretion exercised by the Board shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.
- 4.14 **CONFLICT OF INTEREST** - A Director or Officer who is a party to or who is a Director of or has a material interest in any person who is a party to a material contract or proposed material contract with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of Directors of the Corporation the nature and extent of his interest at the time and in the manner provided by the Act. Any Director or Officer so interested shall not vote on any resolution to approve the contract, except in the manner and to the extent provided in the Act.
- 4.15 **REMUNERATION AND EXPENSES** - The Board may fix the remuneration of the employees of the Corporation and may formulate the policy of the Corporation in relation to the reimbursement of expenses. The Directors or Officers of the Corporation shall not receive any remuneration for the providing of their services; provided, however, by a decision of the Board of Directors, shall be entitled to be reimbursed for such expenses properly incurred by them in attending to the affairs of the Corporation. The Board may appoint such Officers and engage such employees, solicitors, property managers, agents, consultants and other persons at such salaries or for such remuneration as the Board may deem proper or necessary and may incur such expenditures incidental to the conduct of the affairs of the Corporation and carry out its objects as may appear proper and the Board shall approve the payment of all such salaries, remuneration and expenditure.

## **SECTION FIVE – COMMITTEES**

- 5.1 **COMMITTEE OF DIRECTORS** - The Board may appoint any number of committees of Directors and delegate to such committee powers permitted to be delegated to the committee by Section 6 hereof. Director committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.
- 5.2 **TRANSACTION OF BUSINESS** - Subject to the provisions of Section 4.8 hereof, the powers of a committee of Directors may be exercised by a meeting at which a quorum is present.
- 5.3 **PROCEDURE** - Unless otherwise determined by the Board, each committee shall have the power to:
- (a) fix its quorum at not less than a majority of its Members;
  - (b) elect its Chairman; and
  - (c) regulate its procedure.

## **SECTION SIX – OFFICERS**

6.1 **APPOINTMENT** - The Board shall from time to time, from among its own members, appoint a President, a Vice-President, a Secretary, and a Treasurer. The Board may specify the duties of any such Officers.

6.2 **PRESIDENT** - The President shall be the Chief Executive Officer, shall preside as Chairman over all meetings of the Board, and, subject to the authority of the Board, shall have general supervision of the business of the Corporation; the President shall preserve order and decorum and exercise supervision over all committees and shall be an ex officio member of all committees and he shall have such other powers and duties as the Board may specify.

6.3 **VICE-PRESIDENT** - A Vice-President shall, in the absence of the President, perform the functions of the President and shall have such powers and duties as the Board may specify.

6.4 **SECRETARY** - The Secretary, if in attendance, shall be the Secretary of all meetings of the Board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to Members, Directors, Officers, auditors and members or committees of the Board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other Officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the Board or the President may specify.

6.5 **TREASURER** - The Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board annually and whenever required an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the Board or the Chief Executive Officer may specify.

6.6 **VARIATION OF POWERS AND DUTIES** - The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any Officer.

6.7 **INABILITY OF OFFICER OR DIRECTOR TO PERFORM DUTIES** - If any Officer or Director is unable to perform his functions or discharge his duties as such Director or Officer, the Board may appoint such other Director(s) or Officer(s) to perform the functions and/or to discharge the duties of that Director or Officer.

6.8 **TERM OF OFFICE** - Each Officer appointed by the Board shall hold office for a term of one (1) year or until his/her successor shall be appointed.

6.9 **DISCLOSURE OF INTEREST** - An Officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with Section 4.17.

## **SECTION SEVEN – DELEGATION**

7.1 **DELEGATION BY THE BOARD OF DIRECTORS** - The Board shall not delegate any authority or power exclusively conferred on it by the Act.

## **SECTION EIGHT - PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

8.1 **LIMITATION OF LIABILITY** - 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 other act or conformity, or for any loss, damage or expense occurring to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default; provided that nothing herein shall relieve any Director or Officer from the duty to act in accordance with the Act or from liability for any breach of the provisions thereof.

8.2 **INDEMNITY** - Subject to the limitations contained in the Act, the Corporation may indemnify a Director or an Officer of the Corporation, a former Director or Officer of the Corporation or a person who acts or acted at the Corporation's request as a Director or Officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he has made a party by reason of being or having been a Director or Officer of the Corporation or such body corporate (or having undertaken any such liability) if:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful;

and shall so indemnify such a person as aforesaid who has been substantially successful in the defence of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or Officer of the Corporation or body corporate against all costs, charges and expenses reasonably incurred by him in respect of such acts or proceedings, notwithstanding Sub-paragraphs (a) and (b) above.

8.3 **INSURANCE** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its Directors and Officers as such, as the Board may from time to time determine.

## **SECTION NINE - MEMBERS**

9.1 **MEMBERSHIP** - The Members of the Corporation shall consist of any property owner or tenant, firm or corporation in the area and boundaries established by the KeeMan Local Services Board and have a Membership. A maximum of 3 persons per property are eligible as Members. The Lifetime Membership fee shall be determined by the Board of Directors from time to time. Members are entitled to one vote and must be in attendance at the meeting to vote.

9.2 **ANNUAL MEETINGS** - The annual meeting of Members shall be held immediately following the annual meeting of the Board of Directors for the purposes of electing Directors, receiving and considering the financial statements and the auditor's or accountant's report for the preceding year and any other reports required by the Act to be placed before the annual meeting, appointing auditors and or dispensing with their appointment in lieu of the appointment of accountants and for the transaction of such other business as may properly be brought before the meeting.

9.3 **SPECIAL MEETINGS** - The Board or the President shall have power to call a special meeting of Members at any time.

9.4 **PLACE OF MEETINGS** - Meetings of Members shall be held at the office of the Corporation or elsewhere, if the Board shall so determine, at some other place in Canada.

9.5 **NOTICE OF MEETINGS** - Notice of the time and place of each meeting of Members shall be given in the manner provided in Section 10.1, not less than twenty-one (21) days before the date of the meeting, to each Director, to the auditor, if any, and to each Member who at the close of business on the record date for notice, if any, is entered in the register as a Member. Notice of a meeting of Members called for any purpose other than consideration of the financial statement and auditor's report, election of Directors and re-appointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the Members to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. Any person entitled to notice may in any manner waive notice of or otherwise consent to a meeting of Members.

9.6 **LIST OF MEMBERS ENTITLED TO NOTICE** - For every meeting of Members, the Secretary shall prepare a list of Members in good standing entitled to receive notice of and vote at the meeting.

9.7 **CHAIRMAN** - The Chairman of any meeting of Members shall be the President, failing whom, the Vice-President. If the Secretary of the Corporation is absent, the Chairman shall appoint some person, who need not be a Member, to act as Secretary of the meeting.

9.8 **PERSONS ENTITLED TO BE PRESENT** - Any interested party, together with the Members, Directors and auditor of the Corporation, shall be entitled to be present at a meeting of Members.

9.9 **QUORUM** - A quorum for the transaction of business at any meeting of Members shall be seven (7) persons present, who are Members entitled to vote thereat. If a quorum is present at the opening of any meeting of Members, the Members present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting.

9.10 **PROXIES** - Every Member entitled to vote at a meeting of Members must be present in person and no proxies will be permitted.

9.11 **VOTES TO GOVERN** - At any meeting of the Members, every question shall, unless



otherwise required by the Articles or By-laws, be determined by the majority of votes cast on the question. In case of an equality of votes, either upon a show of hands or upon a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

9.12 **VOTING** - Subject to the provisions of the Act, any question at a meeting of Members shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by a show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

9.13 **BALLOTS** - On any question proposed for consideration at a meeting of Members and whether or not a show of hands has been taken thereon, any Member entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each Member present shall be entitled to one vote.

## **SECTION TEN - NOTICES**

10.1 **METHOD OF GIVING NOTICE** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the By-laws or otherwise to a Member, Director, Officer, auditor or member of a committee of the Board, 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 ordinary or air 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 to the recorded address as aforesaid; a notice so mailed or sent electronically shall be deemed to have been given on the third (3rd) day after deposit in a post office or public letter box; and a notice so 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 may change or cause to be changed the recorded address of any Member, Director, Officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

10.2 **COMPUTATION OF TIME** - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

10.3 **UNDELIVERED NOTICES** - If any notice given to a Member pursuant to Section 10.1 is returned on two (2) consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such Member until he informs the Corporation in writing of his new address.

10.4 **OMISSIONS AND ERRORS** - The accidental omission to give any notice to any Member, Director, Officer, auditor or member of a committee of the Board or the non-receipt of any notice to

any Member, Director, Officer, auditor or member of a committee of the Board or any error contained in any such notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.5 **WAIVER OF NOTICE** - Any Member, Director, Officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice required to be given to him under any provision of the Act, the regulations thereunder, the By-laws or otherwise and such waiver or abridgment shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of Members or of the Board, which may be given in any manner.

**SECTION ELEVEN - EFFECTIVE DATE (AND REPEAL)**

11.1 **EFFECTIVE DATE** - This By-law shall come into force when confirmed by the Members in accordance with the Act.

11.2 **AMENDMENT** - The provisions of this or any other by-law of the Corporation may be enlarged, altered, amended or rescinded at any regular meeting of the Board and when confirmed by a two-third majority vote of the Board members present at such meeting and thereafter, confirmed by the Members in accordance with the Act.

**ENACTED** by the Board on the 23 day of June, 2012.

**WITNESS** the Corporate Seal of the Corporation.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary