

HALIBURTON LAKE COTTAGERS' ASSOCIATION LTD.

BY-LAW NUMBER ONE

A By-Law respecting the general
business and affairs of the Company

BE IT ENACTED as a by-law of HALIBURTON LAKE COTTAGERS' ASSOCIATION LTD.
as follows:

HEAD OFFICE:

1. The Head Office of the corporation shall be in the City of Toronto in the Province of Ontario, and at such place therein as the directors may from time to time determine.

SEAL:

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

BOARD OF DIRECTORS:

3. The affairs of the corporation shall be managed by a board of fifteen directors, each of whom at the time of his election and throughout his term of office shall be a member of the corporation. Each director shall be elected to hold office until the first annual meeting after he shall have been elected or until his successor shall have been duly elected and qualified. The whole board shall be retired at each annual meeting, but shall be eligible for re-election if otherwise qualified. The election may be by a show of hands unless a ballot be demanded by any member. PROVIDED ALWAYS that any director or directors may at any time be removed from office and another or others appointed in his or their stead by resolution passed at a special meeting of members called for the purpose and passed by the votes of the members present or represented by proxy thereat and representing three-fourths of the members of the corporation having voting rights; the person or persons so appointed to hold office until the next annual election of directors.

VACANCIES, BOARD OF DIRECTORS:

4. Vacancies on the board of directors, however, caused, may, so long as a quorum of directors remain in office be filled by the directors from among the qualified members of the corporation, if they shall see fit to do so, otherwise such vacancy shall be filled at the next annual meeting of the members at which the directors for the ensuing year are elected, but, if there is not a quorum of directors, the remaining directors shall forthwith call a meeting of the members to fill the vacancy. If the number of directors is increased between terms, a vacancy or vacancies, to the number of the authorised increase, shall thereby be deemed to have occurred, which may be filled in the manner above provided.

QUORUM AND MEETINGS, BOARD OF DIRECTORS:

5. A majority of the directors shall form a quorum for the transaction of business. Except as otherwise required by law, the board of directors may hold its meetings at 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 are present or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the President or Vice-President or by the Secretary on direction of the President or Vice-President, or by the Secretary on direction in writing of two directors. Notice of such meetings shall be delivered, telephoned or telegraphed to each director not less than one day before the meeting is to take place or shall be mailed to each director not less than two days before the meeting is to take place. The statement of the Secretary or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. 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 directors' meeting may also be held, without notice, immediately following the annual general meeting of the corporation. The directors may consider or transact any business either special or general at any meeting of the board.

ERRORS IN NOTICE, BOARD OF DIRECTORS:

6. No error or omission in giving such notice for a meeting of directors 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.

VOTING, BOARD OF DIRECTORS:

7. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes the Chairman, in addition to his original vote, 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 Chairman that a resolution has been carried and an entry to that effect in the minutes shall be prima facie evidence in favour of or against such resolution. In the absence of the votes recorded in favour of or against by the Vice-President, or such other director as the board may from time to time appoint for the purpose.

POWERS:

8. The directors of the corporation may 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 save as hereinafter provided, generally, may exercise all such other powers and all such other acts and things as the corporation is by its charter or otherwise authorised to exercise and do.

Without in any way derogating from the foregoing, the directors are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or likewise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and/or other property moveable or immovable, real or personal, or any right or interest therein owned by the corporation, for such consideration and upon such terms and conditions as they may deem advisable.

REMUNERATION OF DIRECTORS:

9. The directors shall receive no remuneration for acting as such.

OFFICERS OF CORPORATION:

10. There shall be a President, a Vice-President, a Secretary and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the board of directors may determine by by-law from time to time. One person may hold more than one office except the offices of President and Vice-President. The President and Vice-President shall be elected by the board of directors from amongst their number at the first meeting of the board after the annual election of such board of directors, provided that in default of such election the then incumbents, being members of the board shall hold office until their successors are elected. The other officers of the corporation need not be members of the board and in the absence of written agreement to the contrary, the employment of all officers shall be settled from time to time by the board.

DUTIES OF PRESIDENT AND VICE-PRESIDENT:

11. The President shall, when present, preside at all meetings of the members of the corporation and of the board of directors. The President shall also be charged with the general management and supervision of the affairs and operations of the corporation. The President with the Secretary or other officer appointed by the board for the purpose shall sign all by-laws and membership certificates. During the absence or inability of the President, his duties and powers may be exercised by the Vice-President, and if the Vice-President or such other director as the board may from time to time appoint for the purpose, exercises any such duty or power the absence or inability of the President shall be presumed with reference thereto.

DUTIES OF SECRETARY:

12. The Secretary shall be ex-officio clerk of the board of directors. He shall attend all sessions of the board of directors and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all

DUTIES OF SECRETARY: (continued)

notices required to be given to members and to directors. He shall be the custodian of the seal of the corporation and of all books, papers, records, correspondence, contracts and other documents belonging to the corporation which he shall deliver up only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the board of directors.

DUTIES OF TREASURER:

13. The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the corporation in proper books of account and shall deposit all moneys or other available effects in the name and to the credit of the corporation in such bank or banks as may from time to time be designated by the board of directors. He shall disburse the funds of the corporation under the direction of the board of directors taking proper vouchers therefor and shall render to the board of directors at the regular meetings thereof or whenever required of him, an account of all his transactions as Treasurer, and of the financial position of the corporation. He shall also perform such other duties as may from time to time be determined by the board of directors.

DUTIES OF OTHER OFFICERS:

14. The duties of all other officers of the corporation shall be such as the terms of their engagement call for or the board of directors requires of them.

EXECUTION OF DOCUMENTS:

15. Deeds, transfers, licenses, contracts and engagements on behalf of the corporation shall be signed by either the President or Vice-President and by the 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 the President, Vice-President, Treasurer or by any person authorized by the board.

When so directed by the board of directors, the President, Vice-President, the directors, Secretary or Treasurer, or any one of them or any person or persons from time to time designated by the board of directors may transfer any and all shares of stocks, 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 of stocks, 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 transfers, 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 of stocks, 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 of directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations may or shall be executed.

BOOKS AND RECORDS:

16. The directors shall see that all necessary books and records of the corporation required by the by-laws of the corporation or by any applicable statute or law are regularly and properly kept.

MEMBERSHIP:

17. The membership shall consist of the applicants for incorporation and of all such other individuals and of such corporations, partnerships and other legal entities as are admitted as members by the board of directors.

The membership shall be divided into categories as follows:-

MEMBERSHIP: (continued)

General Members - Those persons who own or lease or reside in property on and around Haliburton Lake, in the Township of Harburn, Province of Ontario.

Associate Members - Those persons who are members of the family of general members and such other persons as are admitted as members by the board of directors.

Members may resign by resignation in writing which shall be effective upon acceptance thereof by the board of directors.

In case of resignation members shall remain liable for the payment of any assessment or other sum levied or which became payable by him to the corporation prior to acceptance of his resignation.

Subject to the provisions of paragraph 22 hereof, each General and Associate Member in good standing shall be entitled to vote at any special or general meeting of the members to the extent provided for in said paragraph 22. Corporation, partnerships and other legal entities may vote through duly authorised proxies.

Each member shall promptly be informed by the Secretary of his admission as a member.

DUES:

18. Annual dues shall be payable by the members on the 1st of May in each year at the following rates:

General Members - The sum of \$15.00.

Associate Members - Over the age of 16 years, the sum of \$2.50. The payment of one such annual sum for a member of a family shall entitle all members of such family over the age of 16 years to associate memberships, provided that at least one member of such family is a paid up General Member. Provided also that the maximum amount payable by a family having unmarried children over the age of sixteen years shall be \$10.00, payment of which shall qualify all members of such family to membership.

The amount of dues payable by members may be altered or changed from time to time by the Board of Directors and any change shall become effective only when confirmed by the members at an annual or special general meeting.

The Secretary should notify the members of the dues or fees at any time payable by them and if any thereof are not paid within 60 days of the date of such notice thereof the members in default shall therefrom automatically cease to be members of the corporation, but any of such members may, on payment of all unpaid dues or fees, be re-instated by the board of directors.

ANNUAL AND SPECIAL MEETINGS OR MEMBERS:

19. The annual or any special general meeting of the members shall be held at the head office of the corporation or elsewhere in Ontario as the board of directors may determine and on such day as the said directors shall appoint.

At every annual meeting, in addition to any other business that may be transacted, the report of the directors and a balance sheet along with a general statement of income and expenditure for the financial period ending upon the date of such balance sheet and the report of the auditors shall be presented and a board of directors and auditors for the ensuing year elected and the remuneration of the auditors shall be fixed. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members. The board of directors or the President or Vice-President shall have power to call at any time a special general meeting of the members of the corporation. No public notice nor advertisement of members' meetings, annual or special, shall be required, but notice of the time and place of every such meeting shall be mailed to each member and deposited in the post office or public letterbox or telegraphed at least three days before the time fixed for the holding of such meeting provided that any meetings of members may be held at any time and place without such notice if all the members of the corporation are

ANNUAL AND SPECIAL MEETINGS OF MEMBERS: (continued)

present thereat or represented by proxy duly appointed, and at such meeting any business may be transacted which the corporation at annual or special meetings may transact.

ADJOURNMENTS:

20. Any meeting of the corporation or of the directors 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 is present.

QUORUM OF MEMBERS:

21. A quorum for the transaction of business at any meeting of members shall consist of not less than five members present in person or represented by proxy; provided that in no case can any meeting be held unless there are two members present in person.

VOTING MEMBERS:

22. At all meetings of the corporation where the business to be considered by the meeting concerns the general policy of the corporation, including but without limiting the generality of the foregoing, the election or removal of directors, the passing or amending of any by-law, any matter involving the receipt or payment out of moneys, the general members only shall be entitled to vote and to receive notice of such meeting.

At all meetings of the corporation other than stated in the last preceding paragraph all general and associate members of the corporation over the age of 16 years shall be entitled to vote and to receive notice of such meeting.

Subject to the provisions hereinbefore set forth and the provisions, if any, contained in the Letters Patent of the corporation each general and associate member in good standing shall, at all meetings of members, be entitled to one vote and he may vote by proxy. Such proxy must himself be a general or associate member and before voting must produce and deposit with the Secretary a sufficient appointment in writing from his constituent or constituents. No member shall be entitled, either in person or by proxy, to vote at meetings of the corporation unless he has paid all dues or fees, if any, then payable by him.

At all meetings of members every question shall be decided by a majority of the votes of the members present in person or represented by proxy unless otherwise required by the by-laws of the corporation, or by law. Every question shall be decided in the first instance by a show of hands unless a poll be demanded a declaration by the Chairman that a resolution has been carried or not carried and an entry to that effect in the minutes of the corporation shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution and on a show of hands members represented by proxy shall have no vote. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of votes given by the members present in person or by proxy, and such poll shall be taken in such manner as the Chairman shall direct and the result of such poll be deemed the decision of the corporation in general meeting upon the matter in question. In case of an equality of votes at any general meeting, whether upon a show of hands or at a poll, the Chairman shall be entitled to a casting vote.

AUDITORS:

23. One or more auditors shall be appointed at each annual meeting of the members of the corporation. The auditors of the corporation when appointed shall hold office until the next annual meeting after their being appointed or until their successors are appointed, unless previously removed by resolution of the members in general meeting or by the board of directors. If the remuneration of the auditor or auditors is not fixed by the members at the annual meeting then the remuneration of the auditor or auditors shall be fixed by the directors of the corporation.

The auditors shall be supplied with a copy of the balance sheet, and it shall be their duty to examine the same with the accounts and vouchers relating thereto. The auditors shall have a list delivered to them of all books kept by the corporation, and shall at all reasonable times have access to the books and the accounts of the corporation.

AUDITORS: (continued)

The auditors shall make an annual report to the members upon the balance sheet and every such report shall state whether in their opinion the balance sheet is a full and fair balance sheet properly drawn up so as to exhibit a true and correct view of the state of the corporation's affairs.

FINANCIAL YEAR:

24. Unless otherwise ordered by the board of directors, the fiscal year of the corporation shall terminate on the 30th day of April in each year.

CHEQUES, ETC:

25. 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 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 of directors 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 one 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 the bank's forms of settlement of balances and release or verification slips.

DEPOSIT OF SECURITIES FOR SAFEKEEPING:

26. 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 of directors. 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 of directors and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the board of directors shall be fully protected in acting in accordance with the direction of the board of directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

NOTICE:

27. Whenever under the provisions of the by-laws of the corporation, notice is required to be given, such notice may be given either personally or telegraphed or by depositing same in a post office or a public letter-box, in a postpaid sealed wrapper addressed to the director officer or member of his or their address as the same appears on the books of the corporation. A notice or other document so served by post shall be held to be served at the time when the same was deposited in a post office or public letter-box as aforesaid, or if telegraphed shall be held to be served when the same was handed to the telegraph company or its messenger. For the purpose of service of any notice the address of any member, director or officer shall be his last address as recorded in the books of the corporation.

Any member, officer or director may at any time waive any notice required to be given under the by-laws of the corporation.

BORROWING:

28. The directors may from time to time
- (a) borrow money;
 - (b) issue bonds, debentures, debenture stock, both perpetual and terminable, or other securities;
 - (c) pledge or sell such bonds, debentures or debenture stock, or other securities for such sums and at such prices as may be deemed expedient or be necessary;
 - (d) charge, hypothecate, mortgage or pledge any or all of the real or personal property, including book debts and unpaid calls, rights, powers, undertakings and franchises of the corporation to secure any bonds, debentures, debenture stock or other securities, or any liability of the corporation.

BORROWING: (continued)

From time to time the directors may authorize any director, officer or employee of the corporation or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the corporation as the directors may authorize, and generally to manage, transact and settle the borrowing of money by the corporation.

INTERPRETATION:

29. In these by-laws and in all other by-laws of the corporation hereafter passed unless the context requires, words importing the singular number or the masculine gender shall include the plural or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

ENACTED THIS 30th day of JUNE 1956

WITNESS the Corporate Seal of the Corporation

.....
President

.....
Secretary