

2006

**THE WOODLAND HEIGHTS COMMUNITY ASSOCIATION
BYLAW #1
Showing proposed October 21, 2006 amendments**

Be it enacted as a by-law of The Woodland Heights Community Association (hereinafter referred to as the "Corporation") as follows:

HEAD OFFICE

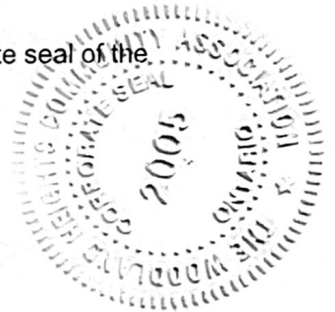
1. The head office of the Corporation shall be in the Town of Huntsville in the District Municipality of Muskoka in the Province of Ontario, Canada, and at such place therein as the directors may from time to time determine.

SEAL

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

2.2 The directors shall provide a seal for the Corporation.

2.3 The seal shall be affixed only when authorized by a resolution of the directors



INTERPRETATION

3.1 The definitions in the Ontario *Corporations Act* on the date these by-laws become effective apply to these by-laws.

3.2 Where context so requires or permits, the singular shall read the plural and the plural shall read the singular.

BOARD OF DIRECTORS

4.1 The property and business of the Corporation shall be managed by a Board of a minimum of five (5) and a maximum of eleven (11) Directors, each of whom at the time of his/her election and throughout his/her term of office is a member "in good standing" of the Corporation. The President will recommend for approval of the members attending the Annual General Meeting the number of directors required to manage the business of the Corporation from time to time. **Woodland Alliance Inc** will appoint one (1) Director to the Board so long as **Woodland Alliance Inc** continues to own and develop unsold properties. A quorum for a meeting of directors shall be a simple majority.

4.2 Directors will be elected at the Annual General Meeting. All Officers shall be elected by the Board of Directors.

4.3 The founding Board of Directors shall serve until the first Annual General Meeting. Upon election of the inaugural Board of Directors at the first Annual General Meeting, the Board of Directors shall decide and appoint a third of the directors to a one year term, a third to a two year term, and a third to a three year term (or as close to that ratio as possible). Thereafter directors shall be elected at each Annual General Meeting for a three-year term to replace those directors whose term has expired. No director may serve more than two full consecutive terms.

4.4 The directors shall retire from office at the Annual General Meeting in the year that coincides with the end of the term for which they were elected. The successors to the retiring directors shall be elected at that Annual General Meeting.

4.5 An election of directors may be by acclamation if the nominations do not exceed the vacancies.

4.6 A vacancy on the Board of Directors shall be filled at the next Annual General Meeting. A vacancy on the board may be filled by appointment by the Board of Directors in the interim at their discretion so long as there is a quorum of directors remaining in office. If there is not a quorum of directors remaining in office, those remaining directors shall forthwith call a meeting of the members for the purpose of filling the vacancies. A director so appointed holds office only until the conclusion of the next following Annual General Meeting of the Corporation. He/she is eligible for re-election at the Annual General Meeting, for a term corresponding with the vacated directorship filled previously by him/her.

MEMBERSHIP

5.1 The membership shall consist of the applicants for incorporation and such other persons as are eligible in accordance with paragraph 5.2 and confirmed as members by the Board of Directors.

5.2a. Every person or entity who is a registered owner of a lot or a real property referred to in the Letters Patent of the Corporation (hereafter called a "property") shall by virtue of ownership of said property be a member of the Corporation. A spouse or partner who may not be a registered owner of a property or lot is also a member. If any property is owned or purchased by a corporation, partnership or other legal entity or by two or more persons, corporations, partnerships or other legal entities or combination thereof, the owner or owners shall nominate one person from its' or their number or shareholders or members, as the case may be, as a member of the Corporation to represent said property, herein referred to as " the voting member", so that there shall be no more than one member of the Corporation representing each property for voting purposes. The owner of a property may nominate his or her spouse or partner as the voting member of the Corporation in place of the owner. (Delete) and such spouse shall be eligible for membership in the Corporation to represent the said property.

b. Any nomination shall be in writing executed by the owner or owners of the property and addressed to the Secretary or Secretary-Treasurer of the Corporation.

c. Any nomination may be revoked at any time by written notice to the Secretary or Secretary-Treasurer executed by the owner or owners of the property.

d. Any membership or any nomination is deemed terminated upon the change in ownership of the property.

e. Owners of multiple properties or lots have a single vote.

5.3 The owner or owners of the property as well as the nominee member to represent the property are jointly and severally liable to pay the dues, fees and assessments, if any, of the Corporation with respect to the property. The provisions of this by-law for nonpayment of dues, fees or assessments shall extend to suspension of the right of the owner or owners of the property to nominate a person for membership to represent the property.

5.4 In case of assignment by sale or termination of membership by death, a former member or former owners of the property represented by such former member and the former member's heirs, executors, administrators and assigns shall remain liable for payment of any dues, fees and assessments which became payable by the former member and former owners represented by the former member during the period of ownership.

5.5 Each member shall be a member in good standing when (a) not in a conflict of interest, or, (b) not in default of payment of the dues, fees or assessments by the Corporation. Voting members who are not in good standing at the time of a general meeting will not have a vote at such meeting nor will they be eligible to stand for election or hold office.

PRIVILEGES AND LIABILITY OF MEMBERS

6.1 Subject to 5.5, all members of the Corporation shall be entitled to participate in all activities of the Corporation. Each property or lot carries one (1) vote at general meetings of members **except as set out in 5.2e for multiple properties or lots.**

6.2 No member of the Corporation shall be, in his/her individual capacity, liable for any debts or liabilities of the Corporation.

FEES

7.1 Each voting member will bear a share of the cost, in accordance with the number of properties represented by him, of operating the Corporation and maintaining such facilities as the members of the Corporation may from time to time agree upon. The amount of any **dues, fees or assessments** and the time at which any such **dues, fees or assessments** **are** to be paid by each member of the Corporation shall be recommended by the Board of Directors and must be confirmed by a majority decision of the members of the Corporation at a general meeting.

7.2 The Secretary or Treasurer or Secretary-Treasurer shall notify the members of the dues, fees **or assessments** at any time payable by them, and all such **dues, fees and assessments** are payable as prescribed in the notification. In the event that any member should at any time be sixty (60) days or more in default of payment of any **dues, fees or assessments** by the Corporation the member will be deemed to be "not in good standing", and if default of payment should continue for a period of ninety (90) days, then the Board of Directors may discontinue supplying to such member in default any or all of the services which are normally supplied to the various members by the Corporation and the directors are hereby empowered to take whatever action the Board deems necessary to collect the outstanding amount. Any such member on payment of all unpaid dues, fees and assessments shall be reinstated as a member "in good standing" by the Board of Directors.

MEETINGS OF MEMBERS

8.1 The Annual General Meeting of the members shall be held in the Town of Huntsville, District Municipality of Muskoka, Ontario and at such a place as the Board of Directors may determine, in accordance with the *Corporations Act*, and on such day as the directors shall appoint.

8.2 The first Annual General Meeting of the Corporation shall be held not more than 18 months after the date of incorporation and after that, an Annual General Meeting shall be held at least once every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting.

8.3 At every Annual General Meeting, in addition to any other business that may be transacted, the report of the directors, the financial statements and the report of the auditors shall be presented. There shall be an election of the Board of Directors as required. The voting members shall appoint **either external Auditors or an internal audit committee for the ensuing year. Membership of an internal audit committee shall be determined by the Board of Directors.**

8.4 The Board of Directors or the President or the Vice-President shall have the power to call a meeting of the Corporation.

8.5 All meetings of members will be Annual General Meetings or Special General Meetings.

8.6 A quorum for the transaction of business at any meeting of members following due notification shall consist of not less than 25% of voting members present in person or represented by proxy; provided that in no case can any meeting be held unless there are eleven (11) members present in person.

8.7 In absence of a quorum a second Annual General Meeting will be called within 30 days. At the recalled Annual General Meeting a quorum will be those who attend following due notification

NOTICE OF MEMBERS' MEETINGS

9.1 Notice of all meetings of members shall be delivered personally or by telephone, facsimile, or email to each member not less than thirty (30) days before the meeting is to take place or shall be mailed to each member not less than fourteen (14) days before the meeting is to take place. At any meeting of members, the members may consider and transact any business that the Corporation may transact. The statutory declaration of the Secretary or Secretary-Treasurer or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice.

9.2 Notice of a general meeting shall specify the place, day and hour of meeting, and in the case of special business, the general nature of that business.

9.3 No error or omission in giving notice of any Annual General Meeting or Special General Meeting of members of the Corporation shall invalidate such meeting, or make void any proceedings taken thereat, and any voting member not in attendance may at any time waive notice of any such meeting in writing and may ratify, approve and confirm any or all proceedings taken thereat.

9.4 For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his/her address recorded on the books of the Corporation.

PROCEEDINGS AT MEETINGS OF MEMBERS

10.1 An Annual General Meeting of the members of the Corporation shall be held at least once in every calendar year prior to October 31st and subsequent to the end of the prior fiscal year, at the call of the President of the Corporation or any four (4) members of the Board of Directors. The President of the Corporation, the vice-President or in the absence of both, one of the other Directors present, shall preside as chairperson of a general meeting. The business to be considered at an annual general meeting shall include:

- (a) Adoption of rules of order;
- (b) Consideration of the financial statements;
- (c) Report of the Directors;
- (d) Report of the auditor, if any;
- (e) Election of Directors;
- (f) Appointment of either external auditors or an internal audit committee. Membership of an internal audit committee shall be determined by the Board of Directors
- (g) Other business that under these bylaws, ought to be transacted at an annual general meeting, or business under consideration by the notice covering the meeting.

10.2 A Special General Meeting of the members of the Corporation may be called by the President or any four (4) members of the Board of Directors of the Corporation.

10.3 A Special General Meeting must be called within thirty (30) days of receipt by the President of a written request stating the reason for the meeting and signed by thirty (30) percent (%) of members "in good standing".

10.4 All resolutions proposed at a general meeting need to be seconded.

10.5 A voting member "in good standing" present or represented by proxy at a general or special meeting of members is entitled to one vote. No voting member present at said general or special meeting may present or represent or vote on behalf of more than 3 proxies

10.6 Voting at general meetings is by show of hands, unless the voting members present decide to vote by secret ballot.

10.7 The chairperson shall not vote at general meeting, except in the case of an equality of votes in which case the chairperson in good standing shall cast the deciding vote.

10.8 Proceedings at all meetings shall be conducted in compliance with "Roberts Rules of Order".

MEETINGS OF DIRECTORS

11.1 Except as otherwise required by law, the Board of Directors may hold its meetings at such place as it may determine. Notice of all directors meetings will be delivered not less than 10 days before the date of the meeting. Meetings may be called by the President, or by a majority of the directors. Notice shall be delivered by telephone or by electronic communication. Notice of the meeting shall state the time and place and main reason for calling the meeting, such as any new proposals, reports or other urgent matters to be considered.

11.2 Meetings of the Board shall be called and held at least four (4) times in each fiscal year.

11.3 The President shall preside at all meetings of directors. In his/her absence, the Vice-president or such other director as the Board of Directors may appoint for the purpose shall preside.

11.4 All resolutions proposed at a Directors' meeting shall be seconded and shall be decided by a majority of votes. The chairperson of a meeting may move or propose a resolution. Normally, votes shall be taken by a show of hands.

11.5 The chairperson shall not vote at directors meetings, except in the case of an equality of votes in which case the chairperson shall cast the deciding vote.

11.6 A quorum of the board shall consist of a simple majority of the directors.

DUTIES OF DIRECTORS

12.1 As a Director of an Incorporated Corporation (Corporation), each Board member assumes a certain responsibility and duty under the Companies Branch Act.

12.2 The Board shall, in addition to any other responsibilities and duties set forth in these Articles:

- (1) Ensure that a full and correct account of the proceedings of all Directors' meetings and general meetings be kept.
- (2) Ensure that the purposes of the Corporation as set out in these Articles and By-Laws are promoted and the Corporation carries on its operation in accordance with such purpose.
- (3) Provide for the maintenance of any property of any kind of the Corporation.
- (4) Insure any building or equipment that is owned by the Corporation against loss or damage.
- (5) Employ such persons as, in its discretion, it deems necessary for carrying out the purposes of the Corporation hereunder and such persons as deemed necessary for proper administration of the affairs of the Corporation
- (6) Submit to each Annual General Meeting of the Corporation an annual financial statement for the fiscal year.
- (7) Prepare a list of the activities or projects to be engaged in or undertaken by the Corporation in the ensuing year to be ratified at the Annual General Meeting.
- (8) Prepare and adopt, by resolution of the Board, a budget in support of the approved activities proposed for the ensuing fiscal year and the administration of the Corporation.
- (9) Ensure that activities and projects approved by the Corporation are carried out within the limit of the money allocated for such activities and projects in the approved budget.
- (10) Ensure that the elected Officers of the Board carry out their responsibilities and duties.
- (11) Ensure that all contractors hired by the Corporation carry Commercial General Liability insurance in an amount of not less than \$2,000,000.00 and that the contractor provides the Corporation a valid certificate of insurance proving same with the Corporation duly noted as an "additional insured" prior to undertaking its hired purpose.
- (12) Casual labour may be excepted but must be approved by a majority of the Board of Directors.

(13) Ensure the Corporation insures itself for Commercial General Liability including Directors and Officers Liability in an amount of not less than \$2,000,000.00.

OFFICERS

13.1 The Officers shall be a President, a Vice-President, a Secretary and a Treasurer, or in lieu of a Secretary and Treasurer, a Secretary-Treasurer.

13.2 The Officers shall be elected annually, for a term of one year, by the Board of Directors from among their numbers at the meeting of the Board held immediately following the Annual General Meeting.

DUTIES OF OFFICERS

14.1 Duties of President and Vice-President

(a) The President shall, when present, preside at all meetings of the members of the Corporation and its Board of Directors. In case of a tie vote, the President shall cast the deciding vote. The President shall also be charged with the general management and supervision of the affairs and operations of the Corporation. The President shall summon or cause to be summoned meetings of the general membership and Board meetings except as provided for in Article 10 of this by-law. The President, with the Secretary or Secretary-Treasurer or other officer appointed by the Board for the purpose, shall sign all By-Laws and membership certificates. Other responsibilities and duties may be undertaken by the President and/or assigned to another officer, with the approval of the Board.

(b) During the absence or inability of the President, the duties and powers of the office may be exercised by the Vice-President, and in his/her absence such other Director as the Board may, from time to time, appoint for the purpose.

14.2 Duties of Secretary or Secretary-Treasurer

The Secretary or Secretary-Treasurer shall be selected from the Board of Directors. He/she shall attend all meetings of the Board of Directors and member meetings and record all facts and minutes of all proceedings in the books kept for that purpose. In the absence of the Secretary or Secretary-Treasurer, a recording Secretary shall be appointed by the Board. He/she shall, under direction, give notices required to be given to members and to Directors. He/she shall be the custodian of the seal of the Corporation and of all minute books, papers, records, correspondence, contracts and other documents, including the original copy of the Articles of Incorporation and By-Laws, which he/she shall keep amended and updated, as and when resolutions are passed by members at a duly constituted General Meeting. He/she shall only deliver up these records and things 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. He/she shall perform such other duties as may from time to time be determined by the Board of Directors.

14.3 Duties of Treasurer

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 valuable 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/she shall disburse the funds of the Corporation under the direction of the Board of Directors and By-Laws of the Corporation, taking proper vouchers therefore and shall render to the Board of Directors at the regular meetings thereof or whenever required of him/her, an account of all his/her transactions as Treasurer, and of the financial position of the Corporation. He/she shall be responsible for the preparation of detailed annual budgeted financial statements based on information submitted by persons responsible for the approved activities of the Corporation. He/she shall submit a yearly financial report and statement for the fiscal period to the

members at the Annual General Meeting. He/she shall also perform such other duties as may from time to time be determined by the Board of Directors.

LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

15.1 Every director or officer of the Corporation, or other person who has undertaken any liability on behalf of the Corporation, and their heirs, executors, administrators and other personal representatives shall at all times be indemnified and saved harmless out of the funds of the Corporation, from:

(a) All costs, charges and expenses whatsoever which such director, officer or other person sustains or incurs in any action, suit or proceedings which is brought against him/her, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him/her, in the lawful execution of the duties of his/her office or in respect of any such liability;

(b) All other costs, charges and expenses which he/she sustains or incurs in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his/her own wilful neglect or default.

COMMITTEES

16.1 The board may, by resolution of the majority of the board, appoint standing committees and ad hoc committees to perform any act or make any investigation on behalf of the Corporation.

16.2 The committees shall consist of two or more members of the Corporation in good standing, one of which must be a director.

16.3 The duties, powers and reporting requirements of the committees shall be set out in the resolution of the board appointing the committees. Each committee shall submit a budget for approval by the directors before any funding can be allocated.

16.4 The President shall, subject to the approval of the Board, appoint a chairperson from the members of each committee.

16.5 The President shall be an "ex officio" member of all committees appointed by the board.

16.6 Ad hoc committees will be disbanded by the Board of Directors following the Board of Directors' acceptance of the committee's final report.

EXECUTION OF DOCUMENTS

17.1 Simple contracts, in the ordinary course of business of the Corporation's operations, may be entered into on behalf of the Corporation by the President and Secretary or Secretary-Treasurer or any other person authorized by board resolution.

17.2 Subject to approval by the Board and/or a resolution passed at a duly constituted meeting of the members of the Corporation, deeds, transfers, licences, contracts and engagements on behalf of the Corporation shall be signed by either the President or Vice-President and by the Secretary or Secretary-Treasurer and the Secretary or Secretary-Treasurer shall affix the seal of the Corporation to such instruments as required.

17.3 The President, Vice-President, Secretary, Treasurer, or Secretary-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, 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 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, bonds or other securities on the books of any company or corporation.

17.4 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 of the Corporation may or shall be executed.

BOOKS, RECORDS AND RETURNS

18. The directors shall see that all necessary books, records and returns of and for the Corporation required by these articles, by subsequent bylaws of the Corporation or by applicable statute or regulation are regularly and properly kept.

FINANCIAL YEAR (Fiscal year)

19.1 The financial year of the Corporation shall end on the date in each year as the directors initially determine.

19.2 Once determined, changes to the financial year must be approved by the members of the Corporation at an Annual General Meeting.

AUDITORS

20. The external auditors or internal audit committee appointed by the directors shall audit the annual finances of the Association and report to the membership at the next annual general meeting.

STANDARDS AND PRACTICES

21.1 The Corporation will always operate with the highest possible standard of ethics and integrity.

21.2 All financial records will be available to the members and such information will be available in such format as to ensure easy tracking of all income and expenditures as published in the annual statements of the Corporation.

21.3 The Corporation may become a member of and/or co-operate with any other corporation, society, or corporation whose purposes and ethical standards are similar to those of the Corporation..

BYLAWS

22.1 On being admitted to membership, a member is entitled to a copy of the bylaws of the Corporation.

22.2 No amendment to a bylaw of the Corporation shall be valid unless passed by two-thirds of the voting members present or represented by proxy at a general or special meeting of the Corporation duly called for the purpose of considering such amendment.

Delete

QUORUM

23.1 A quorum for general meetings of members is all voting members present following due notification, but not less than 25% of the membership in good standing.

Move to 11.6 then delete

23.2 A quorum of the board shall consist of a simple majority of the directors.

ENACTED this Day of, 2006

President

Secretary or Secretary-Treasurer