

CANADA NOT-FOR-PROFIT CORPORATIONS ACT

A by-law relating generally to the conduct of the affairs of

OUTER HARBOR SAILING FEDERATION

(the "Corporation")

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

PART 1. INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

"Act" means the *Canada Not-For-Profit Corporations Act* S.C. 2010, S.O. 2010, c.15 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

"Articles" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;

"By-law" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"Corporation" means the corporation that has passed these by-laws under the Act or that is deemed to have passed these by-laws under the Act;

"Member Club" means a non-profit sailing, rowing, paddling, windsurfing, or auxiliary sailing club which has been admitted to membership;

"Full Member Club" means a member club for which the Corporation acts as licensee or lessee of land and water facilities on its behalf;

"Associate Member Club" means a member club for which the Corporation does

not act as licensee or lessee of land and water facilities on its behalf;

"Non-Profit Sailing Club" means a non-profit, non-share capital corporation incorporated under the *Corporations Act* (Ontario) , or successor legislation, whose objects include promotion of sailing, board sailing and related activities;

"Ordinary resolution" means a resolution passed by a majority vote of the Member Clubs cast on that resolution;

"Regulations" means the regulations made under the Act, as amended, restated or in effect from time to time;

"Special resolution" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution;

"Facilities of the Corporation" means all real property and fixtures thereon and all personal property and chattels within real property occupied by the Corporation from time to time leased, purchased, granted, owned, or occupied by the Corporation.

1.2 Interpretation

Other than as specified above, all terms contained in this by-law that are defined in the Act shall have the meanings given to such terms in the Act. Words importing the singular include the plural and vice versa, and words importing one gender include all genders.

PART 2. EXECUTION OF INSTRUMENTS

2.1 Corporate Seal

The Corporation elects not to have a corporate seal.

2.2. Execution of Documents

Deeds, transfers, assignments, and other instruments in writing requiring execution by the Corporation may be signed by any two of its Officers. Any contracts with the Corporation must be signed by one of the Executive with signing authority on the bank accounts or by a person designated by the Executive and must be noted in meeting minutes. In addition, the Executive may from time to time direct the manner in which and the person by whom a particular document or type of document shall be executed. Any Officer of the Executive may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

PART 3. FINANCES AND BANKING

3.1 Financial Year End

The financial year end of the Corporation shall be November 30 of each year. The financial report of the Corporation for the fiscal year just ended shall be presented by the Treasurer.

3.2 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Executive may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the Executive may by resolution from time to time designate, direct or authorize.

3.3 Annual Financial Statements

The Corporation shall send to the member clubs a copy of the annual financial statements and other documents referred to in subsection 172 (1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents. Instead of sending the

documents, the Corporation may send a notice to each member club along with a notice informing the members of the procedure for obtaining a copy of the documents themselves free of charge. Any member may, on request, obtain a copy of the last Annual Financial Statements at the Corporation's registered office or by prepaid mail.

- 3.4 If the Corporation does not receive gifts or donations during any financial year exceeding the amount prescribed under s. 5.1 of the *Canada Not-for-Profit Corporations Act*, the member clubs may resolve not to appoint a public accountant, but the resolution is not valid unless all the members entitled to vote at an annual meeting of members consent to the resolution.

PART4. MEMBERSHIP

4.1 Membership Classes

Subject to the Articles, there shall be two classes of members in the Corporation, Full Members and Associate Members. The Executive of the Corporation may, by resolution, approve the admission of the members of the Corporation.

4.2 Current Members

- a. As at the date of this By-law, the following are Full member clubs of the Corporation: Mooredale Sailing Club, St. James Town Sailing Club, Westwood Sailing Club, Outer Harbour Centreboard Club, and Toronto Multihull Cruising Club.
- b. As at the date of this By-law, the following are Associate members club of the Corporation: Toronto Windsurfing Club, Aquatic Park Sailing Club, Water Rat Sailing Club, and Hanlan Boat Club.

4.3 Membership Conditions

- a. Membership in the Corporation shall consist of the individual incorporators named in the articles and such other persons interested in furthering the Corporation's purposes and who have been accepted into

membership in the Corporation by special resolution of the Executive and upon the payment of dues and assessments, and upon the execution of such undertakings as the Executive may deem fit.

b. A candidate for admission to membership shall submit a written application to the Secretary in a form satisfactory to the Executive and will provide such information about itself as the Executive may from time to time request.

c. The membership in the Corporation is restricted to the individual incorporators and to Non-Profit Clubs located within the administrative boundaries of the Port of Toronto whose objectives are consistent with the objectives of the Corporation as expressed by this By-law and by rules and regulations as passed from time to time by the Executive of the Corporation.

d. The term of membership of a Full Member shall be annual, subject to renewal in accordance with the policies of the Corporation. Subject to the Act and the articles, each Full Member is entitled to receive notice of, attend and vote at all meetings of members and each such Full Member shall be entitled to one (1) vote at such meetings.

e. The term of membership of an Associate Member shall be annual, subject to renewal in accordance with the policies of the Corporation. Subject to the Act and the articles, an Associate Member shall be entitled to receive notice of, attend, and vote at meetings of the members of the Corporation. Each such Associate Member shall be entitled to one (1) vote at such meetings.

f. Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

4.2 Membership Non-Transferable

A membership in the Corporation is not transferable and automatically terminates if the Member resigns or such membership is otherwise terminated in accordance with this By-Law or the Act.

4.3 Termination of Membership

A membership in the Corporation is terminated upon:

- a. dissolution or insolvency of such member club;
- b. if the member club fails to maintain any qualification for membership as described in this By-Law
- c. written resignation of the member club and its acceptance by the Executive ;
- d. failure to pay fees, dues, or assessments which are in arrears for more than 30 days and by vote of 2/3 of all Member Clubs.
- e. the procedures for termination for cause under this By-Law; or
- d. the Corporation is liquidated and dissolved under the Act.

4.4. Disciplinary Act or Termination of Membership for Cause

- a. The Executive may pass a resolution recommending, upon 15 days' written notice to a Member Club, disciplinary action or the suspension or termination of membership for any one or more of the following grounds:
 - i) violating any provision of the articles, by-laws, or written policies of the Corporation;
 - ii) carrying out any conduct which may be detrimental to the Corporation as determined by the Executive in its sole discretion;
 - iii) for any other reason that the Executive in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.
- b. The notice shall set out the reasons for the disciplinary action or termination of membership. The Member Club receiving the notice shall be entitled to give the Board a written submission opposing the disciplinary action or termination not less than 5 days before the end of the 15-day

period. The Executive shall consider the written submission of the Member Club before making a final decision regarding disciplinary action or termination of membership. In the event that no written submissions are received by the Commodore, the Commodore, or such other officer as may be designated by the Executive, may proceed to notify the member that the member be disciplined, suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the Executive will consider such submissions in arriving at a final decision and give notice of its decision to the affected member and all member clubs within a further twenty (20) days from the date of receipt of the submissions.

- c. A member club's membership may be terminated by a vote of 3/4 of all member clubs. Termination pursuant to clause 4.4(b) may only be permitted for repeated occurrences except for a single violation which in the view of the Executive seriously jeopardizes the relationship of the Corporation with its landlord(s) or with regulatory authorities. . Any member club under consideration for discipline under this clause is to be provided with an opportunity to depute at a meeting of the Executive before action is taken. The Member Clubs' decision shall be final and binding on the Member, without any further right of appeal.

4.5 Effect of Termination of Membership

Subject to the articles, upon any termination of membership, the rights of the member club, including any rights in the property of the Corporation, automatically cease to exist.

PART.5 Representatives and Directors

5.1 Representatives and Directors

- a. Each member club shall appoint up to three of its individual members to act

as representative to the Corporation as a Director and such representatives shall serve on the Executive of the Corporation. Officers of the Corporation shall be elected from these representatives.

- b. Notice of the appointment of representatives of Member Clubs shall be given to the Secretary of the Corporation in writing within 30 days of appointment by the member club.
- c. The member club will designate one of its representatives as the voting representative and will notify the Secretary of the Corporation. A non-voting representative may only vote in the absence of the designated voting representative.
- d. Every representative on the Executive and his or her heirs, executors and administrators, and estate 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:
 - i) All costs, charges, and expenses whatsoever which the representative sustains or incurs in on or about any action, suit, or proceeding which may be brought, commenced, are prosecuted against the representative for or in respect of any act, deed, matter, or thing whatsoever made, done, all are permitted by the representative, in or about the execution of the duties of the representatives office.
 - ii) All other costs, charges, and expenses which the representative sustains or incurs in or about or in relation to the affairs thereof; except such costs, charges, or expenses as are occasioned by the representative's own willful neglect.
- e. The Corporation may not indemnify an individual under subsection (d) unless the individual
 - (i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that their conduct was lawful.

- f. The Corporation may advance money to a director, an officer or other individual for the costs, charges and expenses of a proceeding referred to in subsection (d). The individual shall repay the money if the individual does not fulfil the conditions of subsection (e).
- g. The Corporation may, with the approval of a court, indemnify an individual referred to in subsection (d), or advance money under subsection (f), in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour to which the individual is made a party because of the individual's association with the Corporation or other entity as described in subsection (d), against all costs, charges and expenses reasonably incurred by the individual in connection with the action, if the individual fulfils the conditions set out in subsection (e).

5.2 Powers

- a. The Executive shall manage the affairs of the Corporation in accordance with the bylaws of the Corporation and shall supervise the enforcement by the Corporation by law, rules and regulations. The Executive may enact, amend, or repeal bylaws and rules and regulations relating to the operation of the Corporation and governing the conduct of member clubs.
- b. The Executive may, on its own initiative or upon complaint made to it in writing by member club:
 - i. Investigate an alleged infraction of the bylaws, rules, regulations, licenses, or leases of the Corporation by a member club or by any of a Member Club's individual members.
 - ii. Investigate the conduct of a member club or any of its individual members which may be detrimental to the best interests of the Corporation.
 - iii. Investigate and arbitrate disputes between member clubs on property related issues.
- c. The Executive may, by resolution, reprimand a member club pursuant to clause 5.2 (b). Where appropriate, the Executive may assess damages or compensation against a member club by a vote of 2/3 of all member clubs.
- d. Each member club is responsible for the conduct of its individual members on and above the property of the Corporation and on the water.

- e. The Executive may purchase policies of fire, accident, or other insurance on behalf of the Corporation and its member clubs or may resolve that the Corporation be a self-insurer in all other limited circumstances.

PART 6. MEETINGS OF MEMBERS

6.1 Calling of Meeting

A meeting of the Members may be called by resolution of the Executive called pursuant to paragraph 9.01 or by Requisition or court order under the Act.

6.2 Chair of Meeting

Meetings shall be chaired by the Commodore or, in the absence of the Commodore, by another member of the Executive appointed by the Executive for that purpose.

6.3 Quorum

A Quorum for the transaction of the business shall be majority of all the member clubs. If a quorum is present at the opening of a meeting, the member clubs present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

6.4 Persons Entitled to be Present

The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the public accountant of the Corporation and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

6.5 Consensus

Unless otherwise required by the Act or the articles of the Corporation, questions

arising at any meeting of the members shall be decided by a consensus of the members present at the meeting. A consensus will be considered to have been reached when no member objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question then the chair shall refer the question to be decided by a majority vote of the members

6.6 Voting

- a. Subject to paragraph 6.5 questions arising at any meeting shall be decided by a majority of votes. In the event of equality of votes, the chairperson of the meeting may cast a deciding vote. Questions shall be decided by a show of hands unless the ballot is requested by any member of the Executive present. A declaration by the chairperson of the meeting that the resolution has been carried and an entry to that effect in the minutes shall be prime 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 to the said question and the result of the vote so taken shall be the decision of the Executive upon the question.
- b. It is the duty of every representative on the Executive who has in any way, directly or indirectly, an interest in a contract or arrangement or proposed contract or arrangement with the Corporation to declare such interest and to refrain from voting in respect of the contract or arrangement or proposed contract or arrangement.

6.7 Absentee Voting at Member Clubs Meetings

A member club entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxyholder, and one or more alternate proxyholders, who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- a. a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;

- b. A member club may revoke a proxy,
 - i. by depositing with the Secretary or his or her designate a revocation that is signed by the member club's director or by the member club's lawyer; or
 - ii. in any other manner permitted by law.
- c. a proxyholder or an alternate proxyholder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one member, to vote at the meeting by way of a show of hands.

6.8 Changes to Methods of Absentee Voting

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change this method of voting by members not in attendance at a meeting of members.

6.8 Participation by Electronic Means at Executive and Members' Meetings

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of member clubs or of the Executive, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting.

PART 7. ANNUAL AND SPECIAL MEETINGS

7.1 Time and Place

Subject to compliance with section 159 (Place of Meetings) of the Act., the annual general meeting of the Corporation shall be held on or before February 28

in any year in the City of Toronto. A meeting of the Corporation may be held at a place outside Toronto if the Executive so decides.

7.2 Notice

Every member club shall be given 30 days written notice by the Executive before any annual or special general meeting, but in any event not less than 21 and not more than 60 days notice before the meeting be given to each member club entitled to receive notice of the meeting and to the auditor or person appointed to conduct a review engagement.

7.3 Method of Giving Notice

A notice or other document that is required or permitted by this Act or the regulations may be sent by ordinary mail or by any other method, including email with confirmation of receipt, facsimile or prepaid courier, to an address of record referred to in the Act or its Regulations. Notices may be given by an electronic document in accordance with Part 17 of the Act. A notice or other document sent is deemed to be have been received by intended recipient on the day the intended recipient actually receives it or the fifth business day after the day it is sent.

PART 8. OFFICERS AND DUTIES

8.1 Composition

The Executive shall elect the following officers from among its representatives: Commodore, Vice Commodore Public Relations, Vice Commodore Facilities, Vice Commodore Site Planning, Secretary, Treasurer. The Past Commodore shall assume his or her position by operation of his or her previous election as Commodore.

8.2 Term

Each officer shall be elected at the annual general meeting and shall serve until the

next annual general meeting. Officers may be re-elected in subsequent years. The Executive may from time to time appoint such officers as it deems necessary to fill vacancies as they occur.

8.3 Duties

- a. Commodore: The Commodore shall chair the Executive and shall be charged with the general management and supervision of the affairs and operations of the Corporation. The Commodore, with the Secretary or other officer are appointed by the Executive for the purpose, shall sign on bylaws. The Commodore shall convene meetings of the Executive as he or she deems necessary.
- b. Vice Commodore Public Relations: The Vice Commodore Public Relations shall be responsible for the promotion of sailing, rowing and board sailing in the Toronto Outer Harbour on behalf of its member clubs to governments and other regulatory bodies
- c. Vice Commodore Facilities: The Vice Commodore Facilities shall be responsible for on property management services provided by the Corporation to member clubs including: road maintenance, garbage removal, toilet services and crane rental
- d. Vice Commodore Site Planning: The Vice Commodore Site Planning shall be responsible for coordinating all land and water use planning activities of the Corporation and its member clubs and for liaising with staff of the City of Toronto and the Toronto Port Authority to ensure compliance with the requirements.
- e. Secretary: The Secretary shall be ex officio clerk of the Executive. The Secretary shall attend meetings of the Executive and record facts and minutes of all proceedings in the books kept for that purpose. The Secretary shall have all notices sent and/or given to all member clubs or did representatives as required. The Secretary shall be the custodian of all the books, papers, records, correspondence, contracts and other documents belonging to the corporation which the Secretary shall deliver up only when authorized by a resolution of the Executive to do so and do such a person as may be named in the resolution, and the Secretary shall perform such other duties as may from time to time be determined by the Executive.
- f. Treasurer: The Treasurer shall keep full and accurate accounts of all

receipts and disbursements of the corporation in proper book of account and shall deposit all moneys on under valuable effects in the name of and to the credit of the corporation in such financial institutions as may from time to time be designated by the Executive. The Treasurer shall disburse the funds of the Corporation under the direction of the Executive, taking proper vouchers thereof and shall render to the Executive and the regular meetings thereof or whenever required of the Treasurer, an account of all of the Treasurer's transactions as Treasurer, and of the financial position of the Corporation.

- g. Past Commodore shall serve as a resource person to advise all other executive members in the execution of their duties. The Past Commodore shall also take on specific responsibilities as decided by the executive from time to time. The position of Past Commodore is non voting.
- h. The Executive may elect or appoint from their number such other officer(s) as it may see it and may delegate such officer(s) any of the powers excepting those powers set out in the Act that are not permitted to be delegated; and
- i. Subject to the limitations on delegation set out in the Act, the Executive may establish any committee it determines necessary for the execution of the Executive responsibilities. The Executive shall determine the composition and terms of reference for any such committee. The Executive may dissolve any committee by resolution at any time.

8.4 Vacancy in Office

The Executive may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

- a. the officer's successor being appointed,
- b. the officer's resignation,
- c. such officer ceasing to be a director (if a necessary qualification of appointment) or
- d. such officer's mental incapacity or death.

If the office of any officer of the Corporation shall be or become vacant, the Executive may, by resolution, appoint a person to fill such vacancy.

8.5 Appointment by Directors

The Executive may appoint directors or officers to fill vacancies for a term expiring not later than the close of the next annual meeting of members but the total number of directors so appointed may not exceed 1/3 of the number of directors elected at the previous annual meeting.

8.6 Protection of Executive

The Executive of the Corporation is not liable for the acts, neglects or defaults of any other Officer, committee member or employee of the Corporation or for joining in any receipt or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by resolution of the Executive or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the money 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 corporation 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 his or her respective office or trust provided that they have:

- a. complied with the Act and the Corporation's articles and By-laws; and
- b. exercised their powers and discharged their duties reasonably in accordance with the Act.

PART 9. MEETINGS OF EXECUTIVE

9.01 Calling of Meetings

Meetings of the Executive may be called by the Commodore any Vice_Commodore or any two (2) members of the Executive at any time; provided that, for the first organization meeting following incorporation, such meeting may be called by any director or incorporator. If the Corporation has only one director, that director may call and constitute a meeting.

9.02 Notice of Meeting

Notice of the time and place for the holding of a meeting of the Executive shall be given to every director of the Corporation not less than five days before the time when the meeting is to be held by one of the following methods:

- i) delivered personally to the latest address as shown in the last notice that was sent by the Corporation in accordance with section 128 (Notice of directors) or 134 (Notice of change of directors);
- ii) mailed by prepaid ordinary mail to the director's address as set out in (a);
- iii) by telephonic, electronic or other communication facility at the director's recorded address for that purpose; or
- iv) by an electronic document in accordance with Part 17 of the Act.

Notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. A notice of meeting shall specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

9.03 Regular Meetings

The Executive may appoint a day or days in any month or months for regular meetings of the Executive at a place and hour to be named. A copy of any resolution of the Executive fixing the place and time of such regular meetings of the Executive shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3)(Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

9.04 Votes to Govern

At all meetings of the Executive, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in

addition to an original vote shall have a second or casting vote.

9.05 Committees

The Executive may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Executive shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Executive may from time to time make. Any committee member may be removed by resolution of the Executive.

PART 10. FEES, DUES, AND DISBURSEMENTS

- a. Each property related expense of the Corporation, including licensee or lease fees and property taxes, shall be divided between the full member clubs and, where appropriate, associate member clubs, using the formula which the Executive determines to be fair for the nature of the expense in question.
- b. All other expenses of the Corporation must be approved by one of the persons with signing authority on the Corporation bank accounts, being the Commodore and the Treasurer or a person designated by the Executive.
- c. Each member club shall be assessed annually based on a budget approved by the Executive and divided between the member clubs according to the means provided for in clauses 10 (a) and (b) above. Assessments shall be sent to all member clubs on or before March 31 of each year unless otherwise decided by the Executive. Assessments may be sent by ordinary mail, email with confirmation of receipt, facsimile or prepaid delivery. Fees and assessments are due on or before March 31 of each year unless otherwise decided by the Executive. If an account remains unpaid after the due date, the member club shall be considered in arrears and subject to an interest charge 2% per month (24% per annum) from the due date. A Member club which is in arrears shall be notified that the membership of such club may be terminated in the event of nonpayment.
- d. Any budget surplus on a particular expenditure category and the end of fiscal year shall be allocated to the member clubs on the same basis on which the original assessment was made. Any budget deficit on the particular expenditure category at the end of the fiscal year shall be

assessed to the member clubs on the same basis on which the original assessment was made. Such supplemental assessments are due 30 days after notice of such supplemental assessment is sent by the Treasurer. At the discretion of the Executive, such surpluses and deficits may be carried forward to the next year and carried in an account of each member club with the Corporation.

- e. A Member club whose resignation from the Corporation is accepted by the Executive shall be liable for all accounts, dues, fees, assessments, or charges for the fiscal year for which is resignation was submitted, provided that such member club shall not be liable for any assessment which may be levied after the date of resignation for the purpose of capital expenditure.

PART 11. GENERAL

11.1 Invalidity of Provisions of this By-law

The invalidity or unenforceability of any provision of these By-laws shall not affect the validity or enforceability of the remaining provisions.

11.2 Omissions and Errors

The accidental omission to give any notice to any member club, officer, member of a committee of the Executive or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

11.3 Dispute Resolution

Disputes or controversies among member clubs, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this by-law.

11.4 Mediation and Arbitration

In the event that a dispute or controversy among member clubs, officers, committee members or volunteers of the Corporation arising out of or related to the articles or by-laws, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties then without prejudice to or in any other way derogating from the rights of the member clubs, officers, committee members, employees or volunteers of the Corporation as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- a. The dispute or controversy shall first be submitted to mediation at Toronto by a mediator chosen jointly by the parties involved.
- b. Should the nominated mediator be unwilling or unable to act or the parties are unable to agree as to the choice of a mediator, the mediator shall be chosen by the President of the Toronto Commercial Arbitration Society or his or her delegate within 10 business days of the requesting party delivering his notice of mediation.
- c. Notice of mediation shall be given by the commencing party to the other parties involved. Such notice shall include a mediation brief summarizing the factual and legal grounds of the party and relevant documents relied upon. The other party or parties shall deliver his or its mediation brief with any documents relied upon within 15 business days of receipt of the commencing party's notice of mediation
- d. Each of the Parties agree to have a representative attend the mediation on his or its respective behalf and engage in good faith negotiation with the requisite authority to enter into a settlement. Each Party shall appear at and attend the mediation session for at least 5 hours. The mediation session will be scheduled within 20 business days of the responding parties delivering his or their mediation brief. The parties may by consent extend

the scheduled date of the mediation. After the expiry of 5 hours of mediation, the mediator may, at his or her sole discretion, extend the mediation session for up to a further 3.5 hours. If, at the conclusion of the mediation session, the parties have not resolved the dispute, the parties shall be deemed to have submitted the dispute to arbitration .

e. If the parties are not successful in resolving the dispute through mediation or the mediation session does not result in a resolution of all differences submitted for mediation, then the parties agree that any remaining dispute shall be settled by arbitration before a single arbitrator in Toronto, who shall not be any one of the mediators referred to above, in accordance with the *Arbitration Act, 1991* (Ontario). The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

f. All costs of the mediator appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrator appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrator.

11.5 Amendments to By-laws

Subject to the articles, the Executive may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution.

11.6 Revocation

Upon approval of this By-law by the member clubs, all previous governance by-laws are hereby revoked.

11.7 Effective Date

Subject to matters requiring a special resolution, this by-law shall be effective when made by the Executive

CERTIFIED to be By-Law No. 1 of the Corporation, as enacted by the directors of the Corporation by resolution on , 2022, and confirmed by the members of the Corporation by special resolution on , 2022.

Dated as of

[Indicate name of director/officer]

Approved by the Executive this ____ day of February, 2022

COMMODORE

SECRETARY