

**2011 BY-LAWS OF
THE NORTH HATLEY CLUB INC.
LE CLUB NORTH HATLEY INC.
(the “Club”)**

BY-LAW ONE

CORPORATE NAME, LOCATION OF OFFICES

ARTICLE 1. CORPORATE NAME: The corporate name of the Club is:

The North Hatley Club Inc. / Le Club North Hatley Inc.

ARTICLE 2. LOCATION OF OFFICES: The head office of the Club shall be within the village of North Hatley, Province of Quebec, Canada.

The Club may establish and maintain in addition to its head office such other offices as the board of directors of the Club (the “**Board of Directors**”) may from time to time determine.

BY-LAW TWO

MEMBERS

ARTICLE 1. MEMBERSHIP: The members of the Club shall consist of the following classes:

- (a) Members that are active members of the Club and that are members maintaining such membership in their own right shall be considered as members of the Club having the right to vote on matters as may come before the members (the “**Voting Members**”). The Voting Members shall consist of the persons in the following categories of membership held on a full annual basis, whose membership is in good standing and whose dues and other charges are fully paid:
- “Senior Family” (such membership entitles two (2) Voting Members);
 - “Senior Couple” (such membership entitles two (2) Voting Members);
 - “Senior Single Parent Family” (such membership entitles one (1) Voting Member);
 - “Senior Single” (such membership entitles one (1) Voting Member);
 - “Intermediate Family” (such membership entitles two (2) Voting Members);

- “Intermediate Couple” (such membership entitles two (2) Voting Members);
 - “Intermediate Single Parent Family” (such membership entitles one (1) Voting Member);
 - “Intermediate Single” (such membership entitles one (1) Voting Member);
 - “Porch Couple” (such membership entitles two (2) Voting Members);
 - “Porch Single” (such membership entitles one (1) Voting Member); and
 - “Honourary Member” (such membership entitles one (1) Voting Member).
- (b) Members that are not active members of the Club and/or do not maintain a membership in their own right (“**Non-Voting Members**”) shall not be afforded the right to vote on matters as may come before the members. Non-Voting Members shall include: (i) those members with “Sustaining” memberships, (ii) members under a category of membership limiting the period or periods they can use the Club, (iii) those members who benefit from a family membership but who are not themselves Voting Members sustaining their membership in their own right (including Junior Members (as defined below)), and (iv) members who have not fully paid their dues at the date of the meeting for which a vote takes place or any other reference date set for such meeting in accordance with these by-laws (the “**By-laws**”).
- (c) Junior members are children of Family members under the age of thirty-one on the first day of June of such year of membership (“**Junior Members**”).
- (d) The categories of membership may be established or amended (including those set forth in Article 1(a) above) from time to time by the Board of Directors by resolution.

ARTICLE 2. DUTIES OF MEMBERS: Each member (whether a Voting Member or not) shall, at all times, act honestly, demonstrate good-sportsmanship, conduct themselves in a manner that is consistent with the values of the Club, and afford courtesy and respect toward all members, staff, officers and employees of the Club.

ARTICLE 3. ELECTION OF MEMBERS: Each person or family applying for membership in the Club must be proposed, seconded and sponsored in writing by three Voting Members, none of whom may be a Director and each of whom shall have been a member of the Club for at least five (5) years. Applications shall be forwarded to the Secretary and referred by the Secretary to the Membership Committee (as defined below). Applicants who have been approved by the Membership Committee shall be proposed by the Membership Committee to the Board of Directors for their consideration. Each applicant must be known to at least three Directors.

ARTICLE 4. ANNUAL MEETINGS: The annual meeting of the members of the Club shall be held on such date as the Board of Directors may determine by resolution, provided, however, that it shall be held in the month of July or August.

Annual meetings of members of the Club shall be held at the address of the Club or at such other place within the Province of Quebec as may from time to time be fixed by the Board of Directors for such purpose.

ARTICLE 5. SPECIAL GENERAL MEETINGS: Special general meetings of members may be called at any time by order of the President or Vice-President of the Club, or under authority of a resolution of the Board of Directors. Special general meetings of the Club may be called at any time by twenty (20) Voting Members by request in writing. Any such order, resolution or request shall be in writing and shall specify the object for which the special general meeting is to be called.

It shall be the duty of the President or in his/her absence the Vice-President to cause the Secretary to give notice of the special general meeting, failing which any director may direct the Secretary to give notice of the special general meeting.

Special general meetings of members shall be held at the address of the Club or at any other place or places within the Province of Québec as may be determined by resolution of the Board of Directors.

ARTICLE 6. NOTICE OF MEETING: Notice specifying the place, date and hour of each annual meeting and of each special general meeting of members shall be served upon the Voting Members by electronic means or mail addressed to the Voting Members at their respective addresses as they appear on the books of the Club, at least ten (10) business days before the date fixed for the meeting and shall state in general terms the purpose or purposes of the annual meeting or special general meeting and whether an Extraordinary Resolution (as defined herein) is being proposed.

Notwithstanding anything to the contrary herein contained, any meeting of members may be held at any time and place and for any purpose, without notice, when all Voting Members are present in person or when Voting Members not present in person shall, in writing, by mail or by electronic means filed with the records of the meeting, waive notice of the meeting. Any Voting Member may waive notice of any meeting either before or after the meeting is held.

Unintentional irregularities in the notice or in the giving thereof as well as the accidental omission to give notice of any meeting to, or the non-receipt of any notice by, any of the Voting Members shall not invalidate any action taken by or at any meeting.

ARTICLE 7. PRESIDENT: The President, or in his/her absence the Vice-President, shall preside at all meetings of members. If they are both absent or decline to act, the Voting Members present may choose one of their number to be chairperson. The chairperson at any meeting of members may vote as a Voting Member but shall not have a second or casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 8. QUORUM, VOTING AND ADJOURNMENTS:

At all annual meetings the Voting Members present shall constitute a quorum, unless an Extraordinary Resolution (as defined herein) is being proposed or considered, in which case the quorum for an Extraordinary Resolution shall be required.

The act of a majority of the Voting Members present at any meeting of members shall be the act of the members except as to matters on which the vote or consent of a greater number of Voting Members is required or directed by law or by the deed of incorporation or these By-laws of the Club. The vote of a majority of the Voting Members at any meeting shall be sufficient for the valid ratification of any previous action of the Board of Directors and of the officers of the Club, except as to matters on which the vote or consent of a greater number of Voting Members is required or directed by law or by the deed of incorporation or these By-laws of the Club. Should a quorum not be present at any meeting of members, those present in person shall have power to adjourn the meeting from time to time without notice other than the announcement at the meeting until a quorum shall be present. At any such adjourned meeting, provided a quorum is present, any business may be transacted that might have been transacted at the original meeting.

At all special general meetings forty (40) Voting Members shall constitute a quorum, unless an Extraordinary Resolution (as defined herein) is being proposed or considered, in which case the quorum for an Extraordinary Resolution shall be required.

Should a quorum not be present at any special general meeting of members, those present in person shall have power to adjourn the meeting from time to time without notice other than the announcement at the meeting until a quorum shall be present. At any such adjourned meeting, provided a quorum is present, any business may be transacted that might have been transacted at the original meeting.

All extraordinary resolutions, as provided under subsections (2), (3), (4) and (5) of ARTICLE 6 of BY-LAW THREE below and as provided under BY-LAW EIGHT below, shall require the affirmative vote of at least sixty-six and two-third percent (66 $\frac{2}{3}$ %) of the votes that can be cast by Voting Members present at such annual meeting or special general meeting (each, an “**Extraordinary Resolution**”).

Any meeting at which an Extraordinary Resolution is being proposed or considered, a quorum shall consist of sixty (60) Voting Members. Should a quorum not be present to consider an Extraordinary Resolution, those present in person shall have power to conduct such matters not related to the Extraordinary Resolution if a quorum is otherwise attained to hold the meeting.

ARTICLE 9. RIGHT TO VOTE: At all meetings of members, each Voting Member present who shall have paid their dues for the current year shall have, on a show of hands (or by ballot, if so required), one (1) vote.

ARTICLE 10. ADDRESSES OF MEMBERS: Every member shall furnish to the Secretary an electronic and a mailing address to which all notices intended for the member shall be sent, and if any member shall not provide addresses as aforesaid, any notices may be addressed to him or her at any other address of the member at that time appearing on the books of the Club. If no address appears on the books of the Club, such notice may be mailed to such address as the

person sending the notice may consider most likely to result in the notice promptly reaching the member. Every member shall be responsible for updating any of the above information with the Secretary.

ARTICLE 11. RESOLUTIONS: Subject as hereinafter provided, all motions or resolutions of members shall be passed at duly convened meetings.

BY-LAW THREE

BOARD OF DIRECTORS

ARTICLE 1. NUMBER OF DIRECTORS: The Board of Directors shall consist of eighteen (18) Directors.

ARTICLE 2. QUALIFICATION: The Directors shall be elected from among the members in good standing of the Club at the annual meeting of the members of the Club (unless otherwise stated in the By-laws whether to fill in a vacancy or for the election of additional Directors), by a majority of the votes cast in respect of such election.

ARTICLE 3. TERM OF OFFICE: A maximum of six (6) Directors (unless a vacancy or extension of term provides for a larger number to be elected) shall be elected each year at the annual meeting of the Club or at any special general meeting called for such purpose and shall hold office for a period of three (3) years or until the election of his or her successor unless he/she shall resign or his or her office becomes vacant by death, removal or other cause. A retiring director shall be eligible for re-election if otherwise qualified. No director shall be eligible to serve more than six (6) consecutive years, except that a director may be elected to serve such number of additional years as may be required to qualify such director as Vice-President and/or President, and further, a director may have his/her term extended in order to fill a vacancy created in any three (3) year period.

ARTICLE 4. NOMINATION: The Past-Presidents' Committee (as defined below) shall be responsible for proposing the slate of Directors to be submitted to the Voting Members as well as proposing nominees for President and Vice-President submitted to the Voting Members.

ARTICLE 5. VOTING: Voting for the election of Directors of the Club and the nomination of President and Vice-President shall be conducted by show of hands, unless voting by ballot is requested by a Voting Member present and entitled to vote at the meeting at which such election or nomination takes place. The names of the nominees for the election of Directors (and every two years, the nominees for President and Vice-President) shall be submitted in writing by the Past-Presidents' Committee to the Secretary before the annual meeting of the members (or special meeting, if applicable).

ARTICLE 6. GENERAL POWERS OF DIRECTORS: The Board of Directors shall have the full power and authority to administer and shall have the management of the business and affairs

of the Club. It may from time to time appoint such committees and sub-committees as it may determine and may delegate to or vest them with such powers as it may deem advisable.

The Board of Directors may exercise all powers of the Club and do all lawful acts and things that are required on behalf of the Club other than those acts required to be done by the members of the Club at general meetings or by Extraordinary Resolution at special general meetings.

Without limiting the general powers above-mentioned (except with regard to those actions requiring an Extraordinary Resolution approving the same by the members) and the powers otherwise conferred by law, by the deed of incorporation of the Club and by other By-laws, the Board of Directors shall have the following powers:

1. from time to time enter into and cause to be signed and executed for and on behalf of the Club all agreements and contracts of every kind which the Club may by law enter into;
2. borrow money upon the credit of the Club; provided, however, that at no time shall the principal indebtedness (without taking into account future interest, fees and possible penalties) incurred by the Board of Directors exceed \$100,000 without the prior adoption of an Extraordinary Resolution approving the same by the Voting Members;
3. sell, lease, exchange, hypothecate, alienate or otherwise dispose of any of the Club's property; provided, however, that any sale, lease (other than temporary leases relating to events), hypothecation (other than in connection with duly authorized permitted indebtedness in the ordinary course) or any other alienation of the Club's real property (including, for greater certainty, any land or immovable held by the Club or held in trust or otherwise for its benefit) shall require the prior adoption of an Extraordinary Resolution approving the same by the Voting Members;
4. fix and from time to time alter and vary the entrance fees, guest fees and membership dues to be paid by members and from time to time impose and levy an assessment upon the members; provided, however, that the per membership amount of any assessment in any category of membership shall not exceed such amount that is equal to fifty percent (50%) of the annual dues of the "Senior Family" membership category for the preceding year without the prior adoption of an Extraordinary Resolution approving the same by the Voting Members; and
5. from time to time make capital expenditures on behalf of the Club; provided, however, that any such expenditures exceeding \$100,000 in any one fiscal year shall require the prior adoption of an Extraordinary Resolution approving the same by the Voting Members.

All acts done by any meeting of the Board of Directors or by any person acting as a director, so long as his/her successor shall not have been duly elected or appointed, shall, notwithstanding that it be afterwards discovered that there was some defect in the election of the person acting as aforesaid or that they or any of them were disqualified, be as valid as if the Board of Directors or such other person, as the case may be, had been duly elected and were or was qualified to be Directors or a Director of the Club.

ARTICLE 7. MEETINGS OF THE BOARD: Meetings of the Board of Directors may be called by order of the Board or of its President or Vice-President on a minimum of four (4) days' notice to be delivered either personally, by telephone or by other electronic means ((10) days' notice if by mail) to each member of the Board; provided, however, that such meetings may be held at any time without notice, with the consent of all the members of the Board. Notwithstanding the foregoing, during the months of July and August such meetings may be called on one (1) day's oral notice personally given to each director.

In any case where the convening of a meeting is considered by the President or Vice-President, in his or her discretion, to be a matter of urgency, he/she may call an emergency meeting to be held without notice so long as a quorum is attained and that any decision taken during the emergency meeting be ratified at a subsequent meeting of the Board of Director for which proper notification is afforded. Directors may participate in meetings of the Board of Directors by telephone or other electronic means and such participation shall constitute presence at such meeting.

ARTICLE 8. WAIVER OF NOTICE: Meetings of the Board of Directors may be held without previous notice if all the Directors be present or if all the Directors not present execute a written waiver of notice of the time, place and purpose of the meeting.

ARTICLE 9. CHAIR OF MEETING: The President, or in his or her absence, the Vice-President, shall preside at all meetings of the Board of Directors. At any meeting of the Board of Directors, if both the President and Vice-President be absent or decline to act, the Directors present may elect a member of the Board of Directors to chair the meeting.

ARTICLE 10. ATTENDANCE BY CHAIR OF MEMBERSHIP COMMITTEE: The chairperson of the Membership Committee shall act as liaison between the Membership Committee and the Board of Directors and shall be permitted to attend all meetings of the Board of Directors *ex officio* (unless an *in camera* session is requested by the President), but shall not be entitled to vote.

ARTICLE 11. QUORUM AND VOTE: Seven Directors then in office shall constitute a quorum at all meetings of the Board of Directors. The vote of the majority of the Directors present at the meeting of Directors shall be required for any question submitted thereto. In the case of an equality of votes, the President of any meeting shall be entitled to a casting vote in addition to such other vote he or she may have as a director.

ARTICLE 12. RESIGNATION OF BOARD MEMBERS: Any director may resign his or her office at any time. Such resignation shall be given in writing and shall take effect from the time of its receipt by the Club unless some later time be fixed in the resignation and then at that time. A resolution of the Board of Directors shall not be required to make the acceptance of a resignation effective.

ARTICLE 13. REMUNERATION: The Directors shall not be remunerated for serving as such, nor for any other service they provide to the Club. Nor will the Directors be reimbursed for travelling expenses and other expenses incurred in carrying out the work of the Club, however,

the Directors may be reimbursed legitimate out-of-pocket expenses incurred solely for the benefit of the Club (e.g., printing, postage, supplies).

ARTICLE 14. REMOVAL OF BOARD MEMBERS: Any director may be removed at any meeting of members called for that purpose by the vote of a majority of the Voting Members present at the meeting and another duly qualified person may be elected to replace such director at the same meeting. The person so elected shall hold office for the remaining term of the director so replaced.

ARTICLE 15. VACANCIES IN THE BOARD OF DIRECTORS: If the office of a director becomes vacant by reason of death, resignation, disqualification or otherwise (except when a director is removed and replaced by the members as provided in ARTICLE 14 of this BY-LAW THREE), the remaining members of the Board, although less than a quorum, by a majority vote of those Directors present and voting may elect or appoint a Voting Member of the Club to fill such vacancy for the balance of the current year or until the next meeting of the Club at which an election of members of the Board shall take place.

ARTICLE 16. RESOLUTIONS: Resolutions in writing signed by all the Directors who are eligible to vote on such resolutions at meetings of the Board of Directors shall have the same value as if they had been adopted at such meetings. Such resolutions shall be kept in the minute books of the meetings of the Board of Directors.

BY-LAW FOUR

OFFICERS

ARTICLE 1. OFFICERS OF THE CLUB: The officers of the Club shall be the President, the Vice-President, the Secretary, the Treasurer and any other officers as the Board of Directors may appoint. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. One person may be elected to hold more than one office.

ARTICLE 2. ELECTION OF PRESIDENT AND VICE-PRESIDENT: The President and Vice-President of the Club shall be elected every two (2) years (unless a position has become vacant by reason of death, resignation, disqualification or otherwise) by the Voting Members from among the Board of Directors at the annual meeting of the members of the Club (or special meeting, if applicable). The President and Vice-President shall be elected from among the Directors to hold office for a period of two (2) years. No President shall be eligible to serve two successive terms.

ARTICLE 3. ELECTION OF OTHER OFFICERS: The Secretary, Treasurer any other officers as the Board of Directors may appoint (which excludes, for greater certainty, the offices of President and Vice-President) shall be appointed annually by the Board of Directors at its first meeting after the annual general meeting of the members of the Club. Each such officer shall

hold office until his or her successor is chosen and qualified or until his or her earlier resignation or removal. Any officer appointed by the Board of Directors (which excludes, for greater certainty, the offices of President and Vice-President) may be removed, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors.

ARTICLE 4. DUTIES AND POWERS OF THE PRESIDENT: The President shall have general and active management of the business of the Club, except where expressly delegated by the Board of Directors to some other officer or agent of the Club, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall be responsible for the day to day administration of the Club and shall monitor and co-ordinate its activities and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

DUTIES AND POWERS OF THE VICE-PRESIDENT: The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe. Together with the President, the Vice-President shall direct the employees of the Club in the performance of their duties and they may, with the consent of a majority of the officers of the Club (themselves included), terminate, remove, replace, or reassign the duties of any employee of the Club, except where prohibited by law and except where expressly delegated by the Board of Directors to some other officer or agent of the Club.

ARTICLE 5. TREASURER: The Treasurer shall have general charge of the finances of the Club. He or she shall deposit or cause to be deposited all moneys and other valuable effects of the Club in the name and to the credit of the Club in such banks or other depositories as the Board of Directors may from time to time designate by resolution, and shall render to the Board of Directors, whenever directed by the Board, an account of the financial condition of the Club and of all his or her transactions as Treasurer; and as soon as possible after the close of each financial year the Treasurer shall make or cause to be made and shall submit to the Board of Directors a like report for such financial year. The Treasurer shall have charge and custody of and be responsible for the keeping of the books of account required to be kept pursuant to the laws governing the Club. The Treasurer shall perform all acts incidental to the office of Treasurer, subject to the control of the Board of Directors. Assistant Treasurers (if any) may perform any of the duties of the Treasurer delegated to them by the Board of Directors or by the Treasurer.

ARTICLE 6. SECRETARY: The Secretary shall attend to the giving and service of all notices of meetings of the Board of Directors and of the members of the Club, and shall keep the minutes of such meetings in a book or books to be kept for that purpose. The Secretary shall have charge of the records of the Club, including books containing the names and addresses of the members and Directors of the Club and such other books and papers as the Board of Directors may direct. The Secretary shall be responsible for the keeping and filling of all books, reports, certificates and other documents required by law to be kept and filed by the Club. The Secretary shall perform such other duties as appertain to his or her office or as may be required by the Board of Directors.

ARTICLE 7. RESIGNATION OF OFFICERS: Any officer may resign his or her office at any time. Such resignation shall be given in writing and shall take effect from the time of its receipt by the Club unless some later time be fixed in the resignation and then at that time. A resolution of the Board of Directors shall not be required to make the acceptance of a resignation effective.

ARTICLE 8. REMUNERATION: The officers shall not be remunerated for serving as such, nor for any other service they provide to the Club. Nor will the officers be reimbursed for travelling expenses and other expenses incurred in carrying out the work of the Club, however, officers may be reimbursed legitimate out-of-pocket expenses incurred solely for the benefit of the Club (e.g., printing, postage, supplies).

ARTICLE 9. REMOVAL OF OFFICERS: Any officer may be removed by resolution of the Board of Directors at any time for cause or at any meeting of members called for that purpose by the vote of a majority of the Voting Members present at the meeting and another duly qualified person may be elected to replace such officer at the same meeting. The person so elected shall hold office for the remaining term of the officer so replaced.

ARTICLE 10. VACANCY OF PRESIDENT: If the office of President becomes vacant by reason of death, resignation, disqualification or otherwise (except when an officer is removed and replaced by the members as provided in ARTICLE 9 of this BY-LAW FOUR), the Vice-President shall automatically become President.

ARTICLE 11. VACANCY OF VICE-PRESIDENT: If the office of Vice-President becomes vacant by reason of replacement of the office of President (as described immediately above), death, resignation, disqualification, or otherwise (except when an officer is removed and replaced by the members as provided in ARTICLE 9 of this BY-LAW FOUR), then such office shall remain vacant until the next annual or general special meeting of the Club.

ARTICLE 12. VACANCY OF BOTH PRESIDENT AND VICE-PRESIDENT: If both the office of President and of Vice-President become vacant by reason of death, resignation, disqualification or otherwise (except when an officer is removed and replaced by the members as provided in ARTICLE 9 of this BY-LAW FOUR), then the Secretary shall call a general special meeting of the Club to elect such officers.

ARTICLE 13. OTHER VACANCIES: If the office of Secretary, Treasurer or any other officers as the Board of Directors may appoint (which excludes, for greater certainty, the offices of President and Vice-President) becomes vacant by reason of death, resignation, disqualification or otherwise (except when an officer is removed and replaced by the members as provided in ARTICLE 9 of this BY-LAW FOUR), the Board of Directors may appoint a successor to fill such vacancy.

BY-LAW FIVE

COMMITTEES

ARTICLE 1. COMMITTEES: The Board of Directors may establish such committees, as it deems advisable and shall determine their functions, powers and duties.

ARTICLE 2. ATTENDANCE BY PRESIDENT AND VICE-PRESIDENT: With the exception of the Past Presidents' Committee or unless provided otherwise by the Board of Directors, the President and the Vice-President shall *ex officio* be entitled to receive notice of and permitted to attend meetings of all committees (unless an *in camera* session is requested by the chairperson of such committee), but shall not be entitled to vote on any such committee (unless they are otherwise a member thereof).

ARTICLE 3. DISSOLUTION: All committees may be dissolved by resolution of the Board of Directors, except the Past Presidents Committee and the Membership Committee.

ARTICLE 4. THE PAST-PRESIDENTS' COMMITTEE: The Club has long had a committee comprised of the past Presidents of the Board of Directors of the Club (the "**Past-Presidents' Committee**"). The Past-Presidents' Committee is responsible for proposing the slate of Directors to be submitted to the members as well as proposing nominees for President and Vice-President submitted to the members. The mandate of the Past-Presidents' Committee is to help guide the Board of Directors to ensure the continuity of the Club and to preserve its purpose, traditions and mission. The Past-Presidents' Committee may make, alter and repeal rules for the conduct of its business.

ARTICLE 5. THE MEMBERSHIP COMMITTEE: The Club has a long established committee which is responsible for the procedure for new membership in the Club and to advise the Board of Directors on new and existing membership (the "**Membership Committee**"). In addition to such other matters as the Board of Directors sees fit to place before it, the Membership Committee shall review, screen and make such enquiries as they see fit regarding all membership applications and shall ensure that applications are made in conformity with these By-laws as well as the process established by the Membership Committee in consultation with the Board of Directors. The Membership Committee shall make its recommendations for membership to the Board of Directors annually or at such other times as instructed by the Board of Directors. The Membership Committee's mandate is to help guide the Board of Directors to ensure the continuity of the Club and its mission, to ensure that prospective members would provide a positive and harmonious contribution to the community of the Club, and to ensure that they are suitable candidates to be entrusted with the preservation, purpose and future of the Club. The Membership Committee may make, alter and repeal rules for the conduct of its business. The Membership Committee shall consist of seven (7) committee members, including the chairperson.

ARTICLE 6. THE CHAIRPERSON OF THE MEMBERSHIP COMMITTEE: The chairperson of the Membership Committee shall be nominated by the Past Presidents' Committee (in

consultation with the President) from among such persons that have been Voting Members of the Club for a minimum of five (5) years. Such nomination of the chairperson must be ratified by the Board of Directors before becoming effective. The chairperson shall be appointed for a term to be established by the Past President's Committee, however, such appointment shall be re-confirmed on an annual basis by the Past Presidents' Committee (and ratified by the President). The Past Presidents' Committee shall at all times be permitted to remove the chairperson for any reason and nominate a new chairperson in consultation with the Membership Committee and submit such nomination to the Board of Directors for ratification.

ARTICLE 7. THE MEMBERS OF THE MEMBERSHIP COMMITTEE: The chairperson shall appoint the other members of the Membership Committee and establish the terms of their appointments, provided that at all times the composition of the Membership Committee shall consist of at least three (3) members of the Past-Presidents' Committee (including the chairperson, if applicable). The members of the Membership Committee, aside from the chairperson, shall remain anonymous to all except the President and the Vice-President.

ARTICLE 8. SANCTION AND REMOVAL OF MEMBERS: Any decision with regard to the removal or sanction of a member (or members) shall be made by an *ad hoc* committee of the Board of Directors to be named if and when it deems so appropriate. Such *ad hoc* committee shall have the discretion to remove or sanction such member (or members). For greater clarity, a member may be sanctioned or removed without affecting the membership of the Voting Member under whose category of membership such sanctioned or removed member had been afforded membership in the Club (as detailed at ARTICLE 1 of BY-LAW TWO).

ARTICLE 9. SCOPE OF POWER: Each committee shall operate and function only within the scope designated to it by the Board of Directors or as set forth in these By-laws. For greater certainty, the Past-Presidents' Committee and the Membership Committee shall operate and function in accordance with their respective mandates. No committee shall have the power to act for the Board of Directors unless expressly authorized to do so by the Board of Directors.

BY-LAW SIX

FINANCIAL YEAR, ACCOUNTS AND AUDITOR

ARTICLE 1. FINANCIAL YEAR: The financial year of the Club shall end on the last day of March in each calendar year.

ARTICLE 2. ACCOUNTS: The Directors shall cause to be kept proper books of account with respect to all sums of money received and expended by the Club and the matters in respect of which such receipts and expenditures take place, all sales and purchases of securities and other property by the Club, the assets and liabilities of the Club and all other financial transactions affecting the financial position of the Club.

The books of account shall be retained at the head office of the Club or at such other place in Canada as the Board of Directors thinks fit, and shall at all times be open during business hours to inspection by the Directors and members.

ARTICLE 3. AUDITOR: At the annual general meeting of members an auditor or auditors may be appointed for the purpose of auditing and verifying the accounts of the Club. No auditor shall be a director or officer of the Club.

BY-LAW SEVEN

**CONTRACTS, CHEQUES, DRAFTS, BANK
ACCOUNTS**

ARTICLE 1. CONTRACTS: All deeds, documents, transfers, contracts and other instruments requiring execution by the Club shall be signed by the President or Vice-President and countersigned by the Secretary or Treasurer except as the Board of Directors may otherwise direct in any specific instance or class of instances. Save as aforesaid or as otherwise provided in the By-laws of the Club, no director, officer, agent or employee shall have any power or authority to bind the Club by any contract or engagement or to pledge its credit.

ARTICLE 2. CHEQUES AND DRAFTS: All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued, accepted or endorsed in the name of the Club shall be signed by such a Director or Directors, an agent or agents, an officer or officers, or a representative of the Club in such manner as shall be determined, from time to time, by resolution of the Board of Directors and any one of such persons may alone endorse notes and drafts for collection on account of the Club through its bankers and endorse notes and cheques for deposit with the Club's bankers for the credit of the Club or the same may be endorsed "for collection" or "for deposit" with the bankers of the Club. Any one of such persons so appointed may arrange, settle, balance and certify all books and accounts between the Club and the Club's bankers and may receive all paid cheques and vouchers and sign all the bank's forms of settlement of balance and release or verification slips.

ARTICLE 3. DEPOSITS: The funds of the Club may be deposited from time to time to its credit with such bank or banks or trust company or companies or with such bankers as the Board of Directors may approve from time to time by resolution.

BY-LAW EIGHT

ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS

Subject to the provisions of the laws governing the Club, in addition to the present By-laws, the Board of Directors may from time to time make further By-laws for the regulation and management of the business and affairs of the Club and may likewise from time to time repeal or amend the present By-laws, but no such enactment, repeal, re-enactment or amendment shall have any force or effect unless sanctioned by Extraordinary Resolution of the members of the Club adopted at any annual or special general meeting duly called for such purpose.

BY-LAW NINE

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Every director and/or officer of the Club and his/her heirs, executors and administrators and estate and effects, respectively, shall be indemnified and saved harmless out of the funds of the Club, from time to time and at all times, from and against (a) all costs, charges and expenses whatsoever which such director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him/her, for or in respect of any act, deed, matter or thing whatsoever, heretofore or hereafter made, done or permitted by him/her, in or about the execution of the duties of his/her office; and (b) all other costs, charges or expenses that he/she sustains, or incurs, in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his/her own fault; and the Club hereby consents to the indemnification provided for herein. The Club may also enter into written agreements with Directors and/or officers of the Club that provide similar indemnification and hold-harmless provisions to those hereinabove.

(Signature page follows immediately)

ENACTED on _____, 2011.

Witness the signatures of the President
and the Secretary of the North Hatley Club Inc.

President

Secretary