

HICKORY HILLS RESIDENTS ASSOCIATION

BY-LAW Fourteen (14)

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48 Wilson Avenue, Tillsonburg, Ontario N4G 5L6

BY-LAW NUMBER 14

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

HICKORY HILLS RESIDENTS ASSOCIATION (the “Association”)

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BE IT ENACTED that By-law Number 12 of the Association is hereby repealed and replaced as By-law Number 14¹, as follows:

ARTICLE 1 – GENERAL

1.1 Definitions

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

"Act" means the *Not-for-profit Associations Act, 2010* (Ontario), and where the context requires, includes the Regulations made under it, as amended or re-enacted from time to time;

"Articles" means the original or restated letters patent, supplementary letters patent, articles of in Association or articles of amendment, restated articles of in Association, amalgamation, continuance, reorganization, arrangement or revival of the Association;

"Associate(s)" means the parents, siblings, children, spouse and common-law partners of a Director, as well as any organization, agency, Association or individual (such as a business partner or employer) with a formal relationship to a Director;

"Association" means the Hickory Hills Resident Association;

"Board" means the board of directors of the Association;

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

"Chair" means the chair of the Board;

"Designated Member" means that Member who has been designated the one vote per Home.

"Director" means an individual occupying the position of director of the Association;

"Document" includes cheques, drafts or orders for payment of money and all notes and acceptances and bills of exchange, deeds, mortgages, charges, conveyances, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Association;

"Good Standing" means a voting Member of the Association who is not in arrears with fees, dues, and assessments, is not subject to any disciplinary action, and whose membership has not been terminated;

"Home" means any Lot or block in the Plan or any portion of such a lot or block for a detached or attached dwelling, or any unit in a registered condominium;

"Homeowner" means any owner(s) of a Home located on a Lot on the Plan;

"Lot" means any lot or block in the Plan, or any portion of such a lot or block, for a detached or attached dwelling, or any unit in a registered condominium;

¹ There is no By-law Number 13 of the Corporation.

"Meeting of Members" includes an annual meeting of members or a special meeting of Members;

"Member" means a member of the Association;

"Occupant" means an individual person who personally dwells in a Home on a Lot other than an Owner.

"Officer" means an officer of the Association;

"Ordinary Resolution" means a resolution passed by a majority (i.e. more than 50%) of the votes cast on that resolution;

"Plan" means collectively registered plans for subdivision No. 41M-86, 41M-87, 41M-88 and 41M-169 in the Town of Tillsonburg, County of Oxford as registered in the Land Registry Office (No. 41) at Woodstock, Ontario;

"Privacy Act" means the *Personal Information Protection and Electronic Documents Act* (Canada), and where the context requires, includes the Regulations made under it, as amended or re-enacted from time to time;

"Proposal" means a proposal submitted by a Member of the Association that meets the requirements of section 56 of the Act;

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

"Resident" means anyone living in a Home located on a Lot or block within the Plan;

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

"Tenant" means anyone occupying a Home by virtue of a lease with the Homeowner, and includes a subtenant(s).

1.2 Interpretation

In the interpretation of this By-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified in 1.1 above, words and expressions defined in the Act have the same meanings when used in this By-law.

1.3 Severability

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

1.4 Corporate Seal

The Association shall not have a corporate seal.

1.5 Execution of Documents

All Documents may be signed on behalf of the Association by the President and the Secretary. In addition, the Board may authorize the individual(s) by whom any particular Document or class of Documents may or shall be signed.

The signature for the execution of any Document may be written, stamped or electronic.

1.6 Books and Records

All documents shall be kept in the Head Office. Access to all documents relating to the business of the Association shall be made available, subject to the Privacy Act, to any voting Member in good standing by written request to the Board.

1.7 Head Office

The head office of the Association shall be in the Town of Tillsonburg, in the Province of Ontario, and at such place therein as the Board may from time to time determine.

ARTICLE 2 – FINANCES

2.1 Financial Year End

Unless otherwise ordered by the Board, the financial year end of the Association shall terminate on the last day of October in each year.

2.2 Deposit of Dues and Monies

All membership dues and money collected by the Association shall be deposited with such chartered bank, trust company or other firm or Association carrying on a banking business and a member of Canada Deposit Insurance Association (CDIC), as determined by the Board of Directors, from time to time.

ARTICLE 3 – DUTIES OF THE ASSOCIATION

3.1 Duties of the Association

The Association is responsible for regulating and governing the areas it owns or leases for the benefit of the Members. The Association's duties shall generally include, but are not limited to:

- (a) the leasing, operation, care, maintenance and improvement of lands, facilities and structures located on the Plan, namely:
 - i. the nine parkettes, the three walkways, all gates, all Association signage and lighting;
 - ii. facilities; and,
 - iii. the community recreation centre and facilities including the swimming pool and the parking lot.
- (b) maintaining an adult community with no facilities for children;

- (c) collecting annual maintenance fees and special assessments from Members;
- (d) administering the Protective Restrictions on Residential Lands and the Specifications and Procedures Manual;
- (e) providing snow removal, grass cutting and lawn maintenance services as contracted for by the Board following an input meeting with the residents of Jackson Court. Costs for this contract will be apportioned equally to each home located on Jackson Court;
- (f) obtaining and maintaining all necessary insurances;
- (g) paying taxes and any other expenses and fees incurred by the Association in connection with any lands or structures located on the Plan which the Association owns or leases;
- (h) ordering audits to be made after every year end and making auditors' statements available to Members; and,
- (i) providing equipment and facilities for activities for the residents at the Recreation Centre, if approved by the Board of Directors.

ARTICLE 4 - BOARD OF DIRECTORS

4.1 Number of Directors

The Board shall be comprised of seven (7) Directors. The number of Directors is to be determined from time to time by the Members by Ordinary Resolution, or if so authorized by Ordinary Resolution of the Members, by resolution of the Board.

4.2 Election and Term

The Directors shall be elected by the Members at each annual meeting. All directors who are duly elected by the Members at each annual meeting are allowed to serve on the Board. No Member shall serve as Director by acclamation. The Members shall elect the Directors to hold office for a term no longer than two (2) years following the annual Meeting of Members at which they were elected and a maximum of three (3) consecutive terms. A Director can only serve a maximum of three (3) terms only if a new Board is not elected, the Directors then serving shall continue in their position until their successors are duly elected.

4.3 Qualifications

A Director shall have the following qualifications:

- (a) be a Member of the Association in Good Standing, or within ten (10) days of such election or appointment become a Member;
- (b) be an individual;
- (c) be at least fifty-five (55) years of age;
- (d) not be found to be mentally incapable of managing property by a court of Ontario or qualified assessor; and,

- (e) not have the status of a bankrupt.
- (f) At any time, only one member of a home can be on the board.

4.4 Vacancies

The office of a Director shall be vacated immediately upon the occurrence of any of the following events:

- (a) the Director is no longer a Member in Good Standing.
- (b) if the Director ceases to be a Member.
- (c) if the Director resigns by delivering a written resignation to the Chair of the Board, such resignation shall be effective on the date specified in the resignation, or the date the Chair receives the letter, whichever is later.
- (d) if the Director dies or becomes bankrupt.
- (e) if the Director is found to be incapable by a court or incapable of managing property under Ontario law by a qualified capacity assessor; or,
- (f) if, at a Meeting of Members, the Members by Ordinary Resolution, remove the Director before the expiration of the Director's term of office.

If a Director has been absent, without the consent of the Chair from three (3) regular Board meetings, they will be recommended for removal by the Members.

4.5 Filling Vacancies

Subject to the Act, and provided there is quorum, vacancies in the Board may be filled for the remainder of a vacating Director's term of office through appointment, made by the remaining Directors. The Director filling the vacancy remains eligible to serve two (2) full terms.

No more than one-third (1/3) of the Directors may be appointed by the Board.

If there is not a quorum of Directors, the Directors in office shall, without delay, call a special Meeting of Members to fill the vacancy, and if they fail to call such a meeting or if there are no Directors in office, the meeting may be called by any Member.

4.6 Removal of Director by Members

The voting Members of the Association by Ordinary Resolution at a special Meeting of Members may remove any Director from office and may elect another qualified Member to replace them for the remainder of the term of office.

No such resolution shall be put before the Members until after the Director in question has been notified in writing of the cause for removal from office, and afforded an opportunity to provide a statement opposing their removal as a Director that will be circulated to the Members with the notice of a Special Meeting of Members at which the Members will vote on the removal of the Director.

The Director shall receive at least two (2) weeks notice of the Meeting of Members at which their removal will be considered by the Members. The notice will provide the reason for which the Director in question may be removed from the Board, and the time and place of the meeting, or instructions on how to attend the meeting electronically.

4.7 Validity of Acts of Directors

The acts of a Director shall be valid even if a defect in their election or qualification is discovered afterwards.

4.8 Committees

Nominating Committee

The Board shall appoint a nominating committee, consisting of three (3) Members, to nominate Members of the Association to fill vacancies in the Board at the annual Meeting of Members. The nomination committee shall attempt to solicit at least two (2) candidates for each vacant position. Additional nominations may be made from the floor at any such meeting.

Advisory Committee

The Board may from time to time appoint any advisory committee, as it deems necessary or appropriate for such purposes as the Board shall see fit. Any such committee may formulate its own terms of reference and rules of procedure, subject to approval of the Board. Any committee member may be removed by resolution of the Board. At least one (1) member of an advisory committee is to be a Director of the Board.

4.9 Remuneration of Directors

The Directors, and those Directors who also serve as Officers, shall serve as such without remuneration, and no Director or their Associate shall directly or indirectly receive any profit from their position as such, or in any other capacity. Directors may be paid or reimbursed for reasonable expenses incurred by them in performance of their duties as Director.

4.10 Confidentiality

All Directors shall maintain confidential all information regarding the affairs of the Association. The information includes, but is not limited to, internal operations, pending contracts and personal information about Members.

4.11 Standard of Care of Directors

Every Director when exercising their powers and discharging their duties must:

- (a) act honestly, in good faith and in the best interests of the Association;
- (b) carry out their duties as a reasonable person would in the circumstances; and,
- (c) comply with the Act, its Regulations, any amendments to the Act or Regulations, all other applicable laws, the Articles, the By-laws and the policies of the Association.

ARTICLE 5 – LIMITATIONS TO POWER OF THE DIRECTORS

5.1 Capital Expenditures

Capital expenditures are renovations, additions or improvements to the Recreation Centre, facilities, structures, or other properties. Capital expenditures costing in excess of \$15,000 must be approved the Members at Meeting of Members.

5.2 Maintenance Expenditures

Maintenance expenditures shall include the repair or replacement of critical components to the Recreation Centre, facilities, structures, or other properties. Such components are, but are not restricted to: the heating and air conditioning equipment, major plumbing parts, and the electrical panel and fixtures. If an emergency repair or replacement of such components, not covered by insurance, is required the Board of Directors shall have the authority to spend up to \$25,000 for such repair or replacement. Maintenance expenditures in excess of \$25,000 must be approved by the Members at a Meeting of Members.

5.3 Agreements with Oxford County and Town of Tillsonburg

The Board of Directors may enter into discussion with Oxford County and/or The Corporation of the Town of Tillsonburg with regards to certain properties within the Plan that may result in amendment to the existing agreement with Oxford County and The Corporation of the Town of Tillsonburg. Any proposed amendments must be approved by an Ordinary Resolution of the Members, present in person or by proxy and entitled to vote, unless a Special Resolution is required pursuant to the Act.

ARTICLE 6 - BOARD OF DIRECTORS MEETINGS

6.1 Calling of Meetings

Meetings of the Board may be called by the President, or Vice-President, or any two (2) Directors at any time and any place on notice as required by this By-law.

6.2 Notice of Meeting

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Article 14 of this By-law to every Director of the Association not less than twelve (12) hours before the time that the meeting is to be held. If the Directors are able to attend the meeting by telephonic or electronic means, the notice of the meeting must include applicable instructions to attend the meeting.

If a quorum of Directors is present, each newly elected or appointed Board may, without notice, hold its first meeting immediately following the annual meeting of the Association.

A notice of a meeting of Directors need not specify the purpose of, or the business to be transacted at the meeting, unless the meeting is intended to deal with a matter referred to in subsection 36(2) of the Act, in which case the notice must specify that matter.

Notice of an adjourned meeting is not required if it is held within thirty (30) days of the original meeting, and the following information is provided at the time of the adjournment:

- (a) The time of the continued meeting;

- (b) If applicable, the place of the continued meeting; and,
- (c) If applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.

6.3 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, and no other notice shall be required for any such regular meeting. The Board will hold at least nine (9) regular meetings each year.

6.4 Adjourned Meetings

Any Board meeting may be adjourned to any time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which the adjournment took place.

Such adjournment may be made notwithstanding that no quorum is present.

6.5 Chair

The Chair shall preside at Board meetings. In the absence of the Chair, a Vice-Presidents shall preside. In the absence of the Chair and all Vice-President(s), the Directors present shall choose one of their number to act as the chair.

6.6 Voting

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. The chair of the meeting shall have a vote for all resolutions and motions. In case of an equality of votes, the chair of the meeting will not have a second or casting vote and the motion will fail.

At all meetings of the Board, every question shall be decided by a show of hands unless a ballot is required by the Chair or requested by a Director. A declaration by the Chair that a resolution has been carried and an entry to that effect in the minutes is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

A dissent vote by a Director may be recorded in the minutes of the meeting at the request of the Chair or the dissenting Director.

6.7 Quorum

Subject to the Act and the Articles, a quorum for the transaction of business at meetings of the Board shall be a majority of the Directors. Notwithstanding vacancies, the remaining Directors may act if they constitute a quorum.

6.8 Participation by Telephonic or Electronic Means

A Director may participate in a Board meeting or of a committee of Directors by telephonic or electronic means that permits all participants to communicate instantaneously and simultaneously

with each other during the meeting. A Director so participating in a meeting is deemed to be present at the meeting.

6.9 Resolutions

A resolution, signed by all the Directors entitled to vote on that resolution at a Board meeting or of a committee of Directors, is as valid as if it had been passed at a Board meeting or of a committee of Directors. Voting on a resolution by electronic means is permitted.

6.10 Members and Others Attending Board Meetings

Any Member of the Association wishing to make representation to a meeting of the Board shall so advise the Secretary in writing at least forty-eight (48) hours prior to the scheduled meeting for acceptance and inclusion in the agenda.

Any Member of the Association may attend a meeting of the Board as an observer; they shall not be entitled to vote or to exercise any other powers or duties of Directors. Members shall not attend portions of Board meetings held in camera or where matters involving the personal information of employees or Members, or litigation or investigations involving the Association, will be discussed.

The Board may invite persons who are not Directors to attend meetings of the Board. Such persons may be invited on a regular basis, may be given regular notice of Board meetings and may participate in Board meetings if the Board permits. Other persons attending a Board meeting by invitation shall not be entitled to vote or to exercise any other powers or duties of Directors.

6.11 Minutes

The minutes of any meeting of the Board shall be posted on the bulletin board in the foyer of the Recreation Centre and in electronic form on a private HHRA members site within ten (10) days following their approval. Copies of such minutes shall be made available to any Member upon request, in electronic or paper copy. All personal information about an employee or Member of the Association, or any other identifiable individual, will be redacted from the Minutes.

ARTICLE 7 – OFFICERS

7.1 Appointment of Officers

The Board shall appoint from among the Directors a Chair, a President and at least one (1) Vice-President, at its first meeting following the annual Meeting of Members, which shall take place within no more than seven (7) days. The Board shall also appoint a Secretary and a Treasurer, who need not be a Director.

Two (2) or more offices may be held by the same individual, except for the office of the President and Vice-President. If the same individual holds both offices of Treasurer and Secretary, they shall be known as the Secretary-Treasurer.

7.2 Duties of the Chair

The Chair shall preside over all meetings of the Board and the Members, if present, and such other duties as may be required by law or as the Board may determine from time to time.

7.3 Duties of the President

The President shall be responsible for implementing the strategic plans and policies of the Association. The President shall, subject to the authority of the Board, be responsible for the general management and the general supervision of the affairs of the Association. The President shall perform such other duties as may be required by law or as the Board may determine from time to time.

7.4 Duties of a Vice-President

During the absence or inability to act of the President, their duties shall be carried out by a Vice-President. A Vice-President shall assist the President, as requested. A Vice-President shall also carry out such other duties as may be required by law or as the Board may determine from time to time.

7.5 Duties of the Secretary

The Secretary shall maintain the register of the Members and ensure the proper recording and maintenance of the minutes of all meetings of the Association, the Board and Board committees, if any. The Secretary is responsible for providing notice to Members, Directors and other persons, as required. The Secretary is also the custodian of the Association's books and records (with the assistance of the Corporation's office administrator), which are kept at the head office of the Association. They will deliver up the books and records only when authorized by a resolution of the Board to do so and only to such person or persons named in the resolution. The Secretary is responsible for filing the annual return of the Association. The Secretary shall also carry out such other duties as may be required by law or as the Board may determine from time to time. They will turn over to their successor all records promptly upon completion of their term.

7.6 Duties of the Treasurer

The Treasurer shall have the custody of the funds and securities of the Association and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Association in the books belonging to the Association and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Association in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the Board from time to time. **The Treasurer shall ensure that there are at least three (3) Directors authorized as signatories on file with the HHRA financial institutions. The Treasurer is to be one (1) of the authorized signatories. All financial transactions must be signed by two (2) of the signing authorities.** The Treasurer shall disburse the funds of the Association as may be directed by proper authority taking proper vouchers for such disbursements and shall render to the Chair and Directors at the regular meeting of the Board, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the Association. They shall be responsible for submitting income tax returns, at the end of the fiscal year. The Treasurer shall also perform such other duties as may be required by law or as the Board may determine from time to time. They will turn over to their successor all records promptly upon completion of their term.

7.7 Delegation of Officer's Duties

In the event of the absence or inability to act of any Officer of the Association, or for any reason that the Directors may deem sufficient, the Board may delegate all or any of the powers of such Officer to any other Officer or to any Director for the time being.

7.8 Other Officers and Agents

The Board may appoint other Officers and agents as it considers necessary, and such Officers and agents shall have the authority and perform the duties as prescribed by the Board.

7.9 Vacancy in Office

In the absence of a written agreement to the contrary, the Board may remove, whether for cause or without cause, any Officer of the Association. Unless so removed, an Officer shall hold office until the earlier of:

- (a) the Officer's successor being appointed;
- (b) the Officer's resignation, having provided at least fourteen (14) days' written notice to the Chair;
- (c) the Officer acts in contravention of the Association's Articles, By-laws or policies, or carries out any conduct which may be detrimental to the Association as determined by the Board in its sole discretion;
- (d) such Officer ceasing to be a Director; or,
- (e) such Officer's death.

If the office of any Officer of the Association shall be or become vacant, the Directors may, by resolution, appoint a person to fill such vacancy.

7.10 Validity of Actions

The acts of an Officer are valid even if a defect in their appointment or election is discovered afterwards.

ARTICLE 8 – INDEMNIFICATION

8.1 Limitation of Liability for Directors and Officers

No Director or Officer of the Association shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for joining in any receipt or other act of conformity, or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Association shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or trust, or in relation thereto unless same happens through or by their own wrongful and wilful act or through their own wrongful and wilful neglect or default.

8.2 Responsibility for Association's Acts

No Director shall be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into by the Association, except as approved by the Board.

8.3 Indemnification of Directors and Officers

Every Director or Officer, or other person who has undertaken, or is about to undertake, any liability on behalf of the Association, and their heirs, executors and administrators, shall be indemnified and saved harmless out of the funds of the Association, from and against:

- (a) all costs, charges and expenses whatsoever that the Director, Officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against the Director, Officer or other person for or in respect of any act, deed, matter or thing whatever, that is made, done or permitted by them, in or about the execution of the duties of such office, or in respect of any such liability; and,
- (b) all other costs, charges and expenses that the Director, Officer or other person sustains or incurs in or about, or in relation to the affairs of the Association,

except those caused by or resulting from wilful or intentional dishonesty, deceit or fraud.

The Association shall also indemnify any person in any other circumstances that the Act or laws permit or require. Nothing in this By-law shall limit the right of any other person entitled to indemnify or to claim indemnity apart from the provisions of the By-law to the extent permitted by the Act or law.

8.4 Reliance on Reports and Advice

A Director or Officer may place reliance in good faith on:

- (a) financial statements and financial reports of the Association represented to them by the Treasurer, auditor or accountant retained by the Association prepared in accordance with generally accepted accounting principles;
- (b) a report or advice of an officer or employee of the Association, if it is reasonable in the circumstances to rely on the report or advice; or
- (c) a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by them.

8.5 Directors and Officers Insurance

The Association may from time to time purchase insurance for the Directors and Officers of the Association against any liability incurred by a Director or Officer in connection with their duties as a Director and/or Officer of the Association.

ARTICLE 9 – CONFLICT OF INTEREST

9.1 Conflict of Interest

A conflict of interest exists if there is a real or reasonably perceived impediment to a Director's responsibility to act in the best interests of the Association, due to the Director's affiliations, obligations, associations and relationships outside of the Association. Conflict of interest includes direct and indirect financial interests and non-financial interests, and includes interests held personally by the Director and/or their Associates.

9.2 Interest of Directors in Contract or Transaction

A Director who is a party to a material contract or transaction or proposed material contract or transaction with the Association, or is a Director or Officer of, or has a material interest in any organization or with any person who is a party to a material contract or transaction or proposed material contract or transaction with the Association shall make the disclosure required by the Act, and set out in this By-law.

9.3 Declaration of Conflict

A conflict of interest shall be declared or raised as follows:

- (a) Every Director who, either directly or through one of the Director's Associates, has or may potentially have a conflict of interest concerning a proposed or current contract or transaction, or decision to be made, shall disclose the nature and extent of the interest at the Board meeting at which the contract, transaction or resolution is first raised.
- (b) If the Director, either directly or through one of the Director's Associates, becomes interested in a contract or transaction after the Board meeting at which it was first raised, the Director shall make a declaration at the next Board meeting following the Director's realization of a conflict.
- (c) In the case of an existing contract or transaction, the Director shall make a declaration at the first Board meeting after the individual becomes a Director or the Director realizes the interest.
- (d) If a Director believes that another Director is in a conflict of interest position concerning any contract, transaction or decision to be made, the Director shall voice the concern at a Board meeting. The Board shall then vote on whether or not there is a conflict of interest position. If the Board finds a Director in conflict, the interested Director shall abide by the requirements of this section.

Every declaration of a conflict of interest, and the general nature of the conflict of interest, shall be recorded in the minutes of the Board meeting.

9.4 Interested Director Not to Attend Meeting or Vote

After making the declaration, the interested Director shall not vote and shall not be present at the vote, or at any portion of a Board meeting at which the contract, transaction or resolution is discussed. The interested Director shall not attempt, in any other way, to influence the voting on such contract, transaction or resolution.

The interested Director shall not be counted in any required quorum with respect to this vote. If no quorum exists for the purpose of voting on a resolution for which a conflict has been declared only because an interested Director is not permitted to be present at the meeting by reason of a conflict, the remaining Directors are deemed to constitute a quorum for the purposes of voting on the resolution.

ARTICLE 10 - MEMBERSHIP

10.1 Members

The Board may accept for and admit into the membership a person who:

- (a) owns a Home located on the Plan as their principal place of residence; or,
- (b) is an Occupant, living with a Homeowner, but who does not hold title in the property; and,
- (c) have entered into such agreements, acknowledgements, or covenants as have been to date required, including but not limited to the Association Protective Restrictions on Residential Lands and the Specifications and Procedures Manual, or as may be required by the Association.

To be admitted into membership, the person must subscribe to the objects, purposes, aims and objectives of the Association, and has agreed to be bound by the Act and Regulations, and the Articles, By-laws, policies and procedures of the Association.

10.2 Voting Members

Members who are Homeowners and in Good Standing, may exercise one (1) vote at all Meetings of Members.

10.3 Non-Voting Members

Members who are Tenants, or are a spouse or partner or companion living with a Homeowner, do not have the right to exercise a vote at Meetings of Members. They are able to attend at and participate in such meetings.

10.4 Joint Membership

When two (2) or more persons own a Home, they will appoint a Designated Member to exercise their vote.

10.5 Transferability of Membership

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

10.6 Limitation of Liability of Members

Members shall not be held answerable or responsible for any act, default, obligation or liability of the Association or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the Association.

10.7 Member Dues and Assessments

The Board shall determine annual dues and assessments to be paid by members as required by the Operating and Reserve fund budget that is voted on and approved by the membership as per Article 13.3. Only if a Member has paid their annual dues and assessments within thirty (30) days

of service of the notice of payment of the dues or assessment will they be a Member in Good Standing.

10.8 Placement of Lien

If a Member has outstanding fees, dues and/or assessment(s) owed to the Corporation more than thirty (30) days' following service of the notice of the outstanding amount, the Corporation will register a lien against the membership of that Member. If the Corporation was dissolved or liquidated, then the lien on the membership would have to be discharged before the Member subject to the lien would be able to participate in the distribution of the Corporation's property.

If a Member has outstanding fees, dues and/or assessment(s) owed to the Corporation for ninety (90) days or more, then the Corporation may commence an action for a lien claim in Small Claims Court in accordance with the rules and procedures of that court. Once a lien is ordered by the Court, it will be registered against the Homeowner's property (or properties).

The Member will be responsible for all of the legal costs incurred by the Corporation related to obtaining the lien order and registering the lien.

ARTICLE 11 – MEMBERSHIP SUSPENSION AND DISCIPLINE

11.1 Suspension of Membership

A membership in the Association is suspended when:

- (a) a Member fails to maintain any qualifications for membership described in Section 10.1 of this By-law;
- (b) the Member attempts to resign by delivering a written resignation to the Chair of Association;
- (c) the Member is suspended in accordance with Section 11.2, or is otherwise suspended in accordance with this By-law;
- (d) annual dues or an assessment remain outstanding for more than thirty (30) days following notice to the Member that such dues or assessment are owing.

Subject to the Articles, upon any suspension of membership, the rights of the Member, including any rights in the property of the Association, automatically cease to exist. However, suspension of membership does not relieve the Member of any financial obligation in connection with the membership, nor of compliance with the By-Laws, the Association Protective Restrictions on Residential Land and Specifications and Procedures Manual, policies or procedures of the Association.

11.2 Discipline of Members

The Board shall have authority to suspend or discipline any Member from the Association for any one or more of the following grounds:

- (a) violating any provision of the Articles, By-laws, Protective Restrictions on Residential Land, Specifications and Procedures Manual, or written policies or procedures of the Association;

- (b) carrying out any conduct which may be detrimental to the Association as determined by the Board in its sole discretion; or,
- (c) for any other reason that the Board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Association.

In the event that the Board determines that a Member should be suspended from membership in the Association or disciplined, the Chair, or such other Officer as may be designated by the Board, shall provide thirty (30) days' notice of suspension, expulsion or discipline to the Member, and shall provide reasons for the proposed suspension, expulsion or discipline.

The Member may make written submissions to the Chair, or such other Officer as may be designated by the Board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the Chair, the Chair or such other Officer as may be designated by the Board, may proceed to notify the Member that the Member is suspended from membership in the Association, or of the disciplinary action levied by the Board. If written submissions are received in accordance with this section, the Board will consider such submissions in arriving at a final decision, and shall notify the Member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions.

The suspension or discipline must be passed by a Special Resolution of the Board. The Board's decision shall be final and binding on the Member, without any further right of appeal.

ARTICLE 12 – TERMINATION OF MEMBERSHIP

12.1 Termination of Membership

In the event that a Homeowner conveys or otherwise disposes or transfers interest in their Home, then their membership is terminated as of the date the Member no longer has an interest in the Home. The Homeowner shall continue to be liable for all outstanding financial or other obligations owed to the Association as of the date of termination of membership.

The membership of a Tenant is terminated when they cease to be a Resident, if the Member dies, or if the Association is liquidated or dissolved under the Act.

ARTICLE 13 - MEETINGS OF MEMBERS

13.1 Persons Entitled to be Present

The only persons entitled to be present at a Meeting of Members shall be the Members, the Directors and the auditor of the Association (or the person appointed to conduct the review engagement, if any), and such other persons who are entitled or required under any provision of the Act, Articles or By-laws of the Association. Any other person may be admitted only on the invitation of the Chair of the meeting or by resolution of the Members.

13.2 Annual Meeting

The annual meeting shall be held on a day and at a place within Tillsonburg, Ontario fixed by the Board, which will not be more than fifteen (15) months from the last annual Meeting of Members. Any Member, upon request, shall be provided, not less than five (5) business days or other number of days that may be further prescribed in the Regulations before the annual meeting, with a copy of the approved financial statements, auditor's report or review engagement report and other financial information required by the By-laws or Articles.

The business transacted at the annual meeting shall include:

- (a) receipt of the minutes of the previous Annual General Meeting
- (b) consideration of the Association's annual financial statements;
- (c) report of the auditor or person who has been appointed to conduct a review engagement, if any;
- (d) reappointment or new appointment of the auditor or a person to conduct a review engagement for the coming year, if any;
- (e) election of Directors; and,
- (f) such other or special business as may be set out in the notice of meeting.

No other item of business shall be included on the agenda for an annual meeting unless a Member's Proposal has been given to the Secretary prior to the giving of notice of the annual meeting in accordance with the Act, so that such item of new business can be included in the notice of the annual meeting.

13.3 Information Meeting

An information Meeting of Members shall be held during the month of October of each year at such place and at such time as the Board may determine. The purpose of this meeting is:

- (a) to receive and approve the Operating and Reserve Fund budgeted spending for the upcoming business year as prepared and presented by the Board and accepted by a membership vote; and,
- (b) to transact any other business that may properly come before the meeting.

13.4 Special Meeting

The Chair or Vice-President may call a special Meeting of Members. The Board shall call a special meeting on written requisition of the Members who hold at least ten percent (10%) of votes that may be cast at the meeting sought to be held within twenty-one (21) days after receiving the requisition, unless the Act provides otherwise.

13.5 Adjourned Meeting

Any Meeting of Members may be adjourned to any time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which the adjournment took place.

Such adjournment may be made notwithstanding that no quorum is present.

13.6 Notice of Meeting of Members

Notice of the time and place of a Meeting of Members shall be given to each Member in Good Standing, each Director and to the auditor or person appointed to conduct a review engagement, if any, during a period of ten (10) to fifty (50) days before the Meeting of Members.

Notice of any meeting where special business will be transacted must contain sufficient information to permit the Members to form a reasoned judgment on the decision to be taken, and state the text of any Special Resolution to be submitted to the Members.

Notice of an adjourned meeting is not required if it is held within thirty (30) days of the original meeting, and the following information is provided at the time of the adjournment:

- (a) The time of the continued meeting;
- (b) If applicable, the place of the continued meeting; and,
- (c) If applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.

13.7 Chair of the Meeting

The Chair shall be the chair of the Meeting of Members. In the Chair's absence, a Vice-President will be the chair of the Meeting of Members. In their absence, the Members present at any Meeting of Members shall choose another Director as chair and if no Director is present or if all of the Directors present decline to act as chair, the Members present shall choose one of their number to chair the meeting.

13.8 Quorum

A quorum for the transaction of business at a Meeting of Members is eighty-seven (87) (representing twenty percent (20%) of the voting Members in the Association), present in person or represented by proxy.

If a quorum is present at the opening of a Meeting of Members, the Members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

13.9 Votes to Govern

Business arising at any Meeting of Members shall be decided by Ordinary Resolution, voted upon by Members in Good Standing, unless otherwise required by the Act or the By-laws provided that:

- (a) each Member shall be entitled to one (1) vote at any meeting;
- (b) proxy voting is permitted;
- (c) votes shall be taken by a show of hands among all Members present and the chair of the meeting shall have a vote;
- (d) if there is a tie vote, the chair of the meeting shall not have a second or casting vote, and the motion will fail;
- (e) an abstention shall not be considered a vote cast;
- (f) before or after a show of hands has been taken on any question, the chair of the meeting may require, or any Member may demand, a ballot. A ballot so required

or demanded shall be taken in such manner as the chair of the meeting shall direct; and,

- (g) whenever a vote by show of hands is taken on a question, unless a written ballot is required or demanded, a declaration by the chair of the meeting that a resolution has been carried or lost, and an entry to that effect in the minutes, shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

13.10 Proxy Voting

Every Member entitled to vote at a Meeting of Members may by means of a proxy appoint an individual, who need not be a Member, as nominee to attend and act at the meeting in the manner, to the extent and with the power conferred by the proxy.

A proxy is to be in the form provided by the Association with the notice of the Meeting of Members.

A proxy must be signed by the Member or the Member's attorney in order to be valid.

A proxy must be deposited with the secretary of the Association by the start of the Meeting of Members at which it is valid.

A proxy will only be valid at the meeting for which it is given, and at the adjournment of that meeting, if applicable.

ARTICLE 14 - NOTICES

14.1 Method of Giving Notice

Any notice required to be sent to any Member or Director, or to the auditor or person who has been appointed to conduct an audit or a review engagement, shall be delivered as follows:

- (a) by personal delivery, mail or email to any such Member or Director at their latest address as shown in the records of the Association;
- (b) by mail or email to the auditor or the person who has been appointed to conduct a review engagement at their business address, or if no address be given then to the last address known to the Secretary;

provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. Notice may also be waived by a Director or Member by their attendance at a meeting, unless they attended only to object to business being transacted at the meeting due to their not being properly called.

Notice that is given by mail is deemed to have been received by the intended recipient on the second (2nd) day after it was sent. Notice delivered by email is deemed to have been received twenty-four (24) hours after it was sent.

Pursuant to subsection 103(1) (Fundamental Change) of the Act, a Special Resolution of the Members is required to make any amendment to the By-law to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

14.2 Omissions and Errors in Giving Notice

The accidental omission to give any notice to any Member, Director, Officer, member of a committee of the Board or auditor or person conducting a review engagement, or the non-receipt of any notice by any such person where the Association has provided notice in accordance with this By-law 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.

14.3 Computation of Time

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

ARTICLE 15 – DISPUTE RESOLUTION

15.1 Mediation and Arbitration

Disputes or controversies among Members, Directors, Officers, committee members, or volunteers of the Association are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in this Article.

15.2 Dispute Resolution Mechanism

In the event that a dispute or controversy among Members, Directors, Officers, committee members, or volunteers of the Association arising out of or related to the Articles or By-laws, or out of any aspect of the operations of the Association is not resolved in private meetings between the parties, then without prejudice to, or in any other way derogating from the rights of the Members, Directors, Officers, committee members, or volunteers of the Association as set out in the Articles, By-laws or the Act, and as an alternative to such person instituting a lawsuit 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 a panel of mediators whereby the one (1) party appoints one (1) mediator, the other party (or if applicable the Board) appoints one (1) mediator, and the two (2) mediators so jointly appoint a third (3rd) mediator. The three (3) mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.
- (b) The number of mediators may be reduced from three (3) to one (1) or two (2) upon agreement of the parties.
- (c) If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any of the mediators referred to above, in accordance with the legislation governing arbitrations in force in 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.
- (d) All costs of the mediators 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 as determined by the arbitrator.

ARTICLE 16 – BY-LAWS AND AMENDMENTS

16.1 Amendments to By-laws

The Board may, by resolution, amend or repeal the By-laws in accordance with the Act. Any such amendment or repeal of a by-law 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 (unless a Special Resolution is required by the Act).

If the by-law, amendment or repeal of a by-law is confirmed or confirmed as amended by the Members, it remains effective in the form in which it was confirmed. The by-law amendment or repeal ceases to have effect if it is not submitted to the Members at the next Meeting of Members, or if it is rejected by the Members at the meeting.

16.2 Member Recommendation for Amendment

Members of the Association may submit recommendations to the Board for amendments to the By-laws. The Board has the responsibility to review all recommendations for amendments submitted by Members.

16.3 Repeal of Prior By-laws

The repeal of prior By-laws, resolutions and other enactments shall not impair in any way the validity of any act or thing done pursuant to any such repealed By-laws, resolution of other enactment.

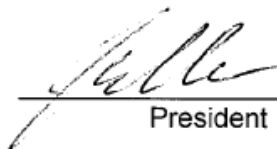
16.4 Precedence

If any of the provisions contained in the By-laws are inconsistent with those contained in the Articles or the Act, the provisions contained in the Articles or the Act, as the case may be, shall prevail.

16.5 Effective Date

This By-law shall come into force upon its enactment.

The foregoing By-law Number 14 is hereby approved by the affirmative vote of a majority of the Members entitled to vote at a Meeting of Members duly called and held and at which quorum was present this 14 day of May, 2025.



President



Secretary



Date