

## **BY-LAW NO. 1**

### **A BY-LAW RELATING GENERALLY TO THE TRANSACTION OF THE BUSINESS AND AFFAIRS OF**

#### **ROYAL YORK FC INC.**

BE IT ENACTED and it is hereby enacted as a by-law of

#### **ROYAL YORK FC INC.**

(hereinafter called the "Corporation") as follows:

### **GENERAL BUSINESS**

#### **Registered Office**

1. The directors may from time to time by resolution fix the location of the registered office of the Corporation within the municipality or geographic township within Ontario as specified in its articles.

#### **Seal**

2. The Corporation shall have a corporate seal which shall be adopted and may be changed by resolution of the directors.

#### **Financial Year**

3. The first financial year of the Corporation shall terminate on a date to be determined by the directors of the Corporation and thereafter on the anniversary date thereof in each year, until changed by resolution of the directors of the Corporation.

#### **Banking Arrangements**

4. The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the directors may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided, including without restricting the generality of the foregoing, the operation of the Corporation's accounts; the making, signing, drawing, accepting, endorsing, negotiating, allotting, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Corporation; the execution of any agreement relating to any banking business and defining the rights and

powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Corporation's behalf to facilitate such banking business.

### **Execution of Instruments**

5. Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by the President or the Secretary and the corporate seal shall be affixed to such instruments as may be required by any person so authorized to sign on behalf of the Corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the directors may at any time and from time to time by resolution direct the manner in which, and the person or persons by whom any particular deed, transfer, contract, obligation or other instrument in writing, any class of deeds, transfers, contracts, obligations or other instruments in writing requiring signature by the Corporation may or shall be signed.

## **DIRECTORS**

### **Power of Directors**

6. The directors shall manage or supervise the management of the business and affairs of the Corporation unless otherwise specifically provided in any unanimous shareholder agreement.

### **Number of Directors and Quorum**

7. Subject to the articles of the Corporation, the number of directors of the Corporation shall be that number of directors as specified in the articles or shall be that number of directors as determined from time to time by a special resolution within the minimum and maximum as permitted by the articles of the Corporation. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum at any meeting of the directors. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board of directors so long as a quorum of the board of directors remains in office.

### **Qualifications**

8. Each director shall be eighteen (18) or more years of age and shall be an individual as defined by the Act. No person who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes of unsound mind and is so found, he shall thereupon cease to be a director.

## **Resident Canadians**

9. A majority of the directors of the Corporation, other than a non-resident corporation as defined by the Act, shall be resident Canadians. Where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian.

## **Transaction of Business**

10. The board of directors shall not transact any business at a meeting of directors unless a majority of directors present are resident Canadians or unless the Corporation is a non-resident corporation as defined by the Act.

## **Election and Term**

11. The directors will not be elected on an annual basis, this is an individual owned not-for-profit private business

## **Removal of Directors**

12. The business owner may by ordinary resolution at an annual or special meeting of the Corporation remove any director from office. Notice of intention to pass any such resolution shall be given in the notice calling the meeting and the directors may by a majority of votes cast at that meeting elect a person otherwise qualified to fill the vacancy created by the removal of such director.

## **Vacancies**

13. Director vacancies will be filled by the president

## **Calling of Meetings**

14. Meetings of the board of directors shall be held from time to time at such place, at such time and on such day as the President or a Vice-President who is a director or any two (2) directors may determine, and the Secretary shall call meetings when directed or authorized by the President or by a Vice-President who is a director or by any two (2) directors. Notice of every meeting so called shall be given to each director not less than forty-eight hours (excluding any part of a Sunday or Holiday as defined by the Interpretation Act of Canada for the time being in force) before the time when the meeting is to be held and such notice shall specify the general nature of any business to be transacted, save that no notice of a meeting shall be necessary if all the directors are present, and do not object to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting.

## **First Directors Meeting**

15. After incorporation an incorporator or a director may call a meeting of the directors of the Corporation by the giving of not less than five (5) days notice thereof to each director stating the time and place of the meeting at which the directors may, make by-laws; adopt forms of security certificates and corporate records; authorize the issue of securities; appoint officers; appoint one or more auditors to hold office until the first annual or a special meeting of directors; make banking arrangements; and transact any other business.

## **Place of Meeting**

16. Meetings of the board of directors may be held at the registered office of the Corporation or at any other place within or outside of Ontario; except that unless the Corporation is a non-resident corporation a majority of the meetings of the board of directors in any financial year shall be held at a place within Canada.

## **Participation by Telephone**

17. With the unanimous consent of all the directors of the Corporation present at or participating in a meeting, a meeting of directors or of a committee of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed to be present at that meeting. If a majority of the directors participating at a meeting held as herein provided are then in Canada the meeting shall be deemed to have been held in Canada.

## **Votes to Govern**

18. At all meetings of the board of directors, unless otherwise provided in the Act, every question shall be decided by a majority of the votes cast on the question and in case of an equality of votes, the Chairman of the meeting shall **not** be entitled to a second or casting vote.

## **Remuneration of Directors**

19. The directors of the Corporation shall be paid such remuneration as may be determined by the board of directors. Any remuneration so payable to a director who is also an officer or employee of the Corporation or is counsel or solicitor of the Corporation or otherwise serves it in a professional capacity shall be, in addition to his salary as such officer, or his professional fees as the case may be. The directors shall also be paid such sums in respect of the out-of-pocket expenses incurred in attending board, committee or shareholder meetings or otherwise in respect of the performance by them of their duties as the board of directors may from time to time determine.

### **Transaction of Business by Signature**

20. A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors.

### **One Director**

21. Where the Corporation has only one director, that director may constitute a meeting.

### **Declaration of Interest**

22. Every director or officer of the Corporation who, is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his interest. All such disclosures shall be made at the time required by the applicable provisions of the Act and directors shall refrain from voting in respect of any such contract or transaction unless otherwise permitted by the Act.

### **Avoidance Standards**

23. If a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation or between the Corporation and any other person of which a director or officer of the Corporation is a director or officer or in which he has a material interest, the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction; and the contract or transaction is neither void or voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his interest as hereinbefore provided and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved. A director or officer acting honestly and in good faith is not accountable to the Corporation for any profit or gain realized from any such contract or transaction by reason only of his holding the office of director or officer and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interests therein void or voidable where, the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose; and the nature and extent of the director's or officer's interest in the contract or transaction is disclosed in reasonable detail in the notice calling the meeting.

## **Standard of Care**

24. Every director and officer of the Corporation in exercising his powers and discharging his duties shall, act honestly and in good faith with a view to the best interests of the Corporation; and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

## **Indemnity of Directors and Officers**

25. The Corporation shall indemnify the directors and officers of the Corporation, former directors or officers of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is a creditor and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate and with the approval of the court in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate against all costs, charges and expenses reasonably incurred by him in connection with such action, if, he acted honestly and in good faith with a view to the best interests of the Corporation; and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

## **Insurance for Directors and Officers**

26. The Corporation may purchase and maintain insurance for the benefit of the directors or officers of the Corporation, former directors or officers of the Corporation or persons who act or acted at the Corporation's request as a director or officer of a body corporate or which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against any liability incurred by him, in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or in his capacity as a director with a view to the best interests of the Corporation; or in his capacity as a director or officer of another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

## **OFFICERS**

### **Appointed Officers**

27. The directors of the Corporation may from time to time designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. A

director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person. In the absence of a written agreement to the contrary, the board of directors may remove at its pleasure any officer of the Corporation. The terms of employment and remuneration of any officer so appointed by it shall be settled from time to time by the board of directors. Unless otherwise from time to time specified by the board of directors the offices of the Corporation, if so designated, and the officers so appointed shall have the following duties and powers.

### **President**

28. The President shall, when present, preside at all meetings of the board of directors and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the board of directors has appointed a general manager or managing director, the President shall also have the powers and be charged with the duties of that office.

The President shall not be appointed from amongst the directors as the President is the private business owner.

### **Vice-President**

29. During the absence or inability of the President his duties may be performed and his powers may be exercised by the Vice-President, or if there are more than one, by the Vice-President in order of seniority (as determined by the board of directors) save that no Vice-President shall preside at a meeting of the board of directors or at a meeting of shareholders who is not qualified to attend the meeting as a director, as the case may be. If a Vice-President exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the President may from time to time delegate to him or the board may prescribe.

### **General Manager**

30. The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the board or directors and supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not appointed directly by the board of directors and to settle the terms of their employment and remuneration. If and so long as the general manager is a director he may but need not be known as the Managing Director.

### **Secretary**

31. The Secretary shall give, or cause to be given, all notices required to be given to directors, auditors and members of committees; he/she shall attend all meetings of the directors and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall be the custodian of the

stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

### **Treasurer**

32. The Treasurer shall keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the board of directors, shall control the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board of directors at the meetings thereof, or whenever required of him an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

### **Other Officers**

33. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board of directors otherwise directs.

### **Variation of Duties**

34. From time to time the board may vary, add to or limit the powers and duties of any officer or officers.

### **Agents and Attorneys**

35. The board of directors shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

### **Fidelity Bonds**

36. The board of directors may require such officers, employees and agents of the Corporation as the board of directors deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the board of directors may from time to time prescribe.



## **NOTICES**

### **Method of Giving**

37. Any notice, communication or other document to be given by the Corporation to a director, officer or auditor of the Corporation under any of the provisions of the articles or by-laws or the Act shall be sufficiently given if sent to such director, officer or auditor by prepaid mail addressed to, or may be delivered personally to, a shareholder at his last address as shown on the records of the Corporation or its transfer agent; and a director, officer, or auditor at his last address as shown in the records of the Corporation or in the case of a director or officer in the most recent notice filed under the Corporations Information Act, whichever is the more current. A notice or document sent by prepaid mail as hereinbefore provided to a shareholder, director, officer or auditor of the Corporation shall be deemed to be received by the addressee on the fifth day after mailing. Where the Corporation sends a notice or document to a director by prepaid mail as hereinbefore provided and the notice or document is returned on three consecutive occasions because the director cannot be found, the Corporation is not required to send any further notices or documents to the director until he/she informs the Corporation in writing of his new address.

### **Computation of Time**

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

### **Omissions and Errors**

39. The accidental omission to give any notice to any director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

### **Waiver of Notice**

40. Where a notice or document is required by the Act, or the articles or by-laws of the Corporation to be sent, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto.

## INTERPRETATION

41. In this by-law and all other by-laws of the Corporation, words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include individuals, sole proprietorships, partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts, body corporates and natural persons in their capacity as trustees, executors, administrators or other legal representatives; "resident Canadian" means an individual who is determined to be a resident Canadian as defined by the Act; "articles" shall include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival and any amendments thereto; the "Act" shall mean the Ontario *Business Corporations Act*, as amended from time to time or any act that may hereafter be substituted therefor.

PASSED the 22<sup>nd</sup> day of January, 2009.

WITNESS the corporate seal of the Corporation.

\_\_\_\_\_  
Leon Brown - President

\_\_\_\_\_  
Colleen Sweeney – Executive Assistant c/s

BE IT RESOLVED THAT By-Law Number 1 being a by-law relating generally to the transaction of the business and affairs of the Corporation be and the same is hereby made as a by-law of the Corporation and the President and the Secretary be and they are hereby authorized to sign the by-law and to apply the corporate seal thereto.

THE UNDERSIGNED, being all the directors of the Corporation hereby sign the foregoing resolution pursuant to the provisions of the Ontario *Business Corporations Act*.

DATED the 22<sup>nd</sup> day of January, 2009.

\_\_\_\_\_  
Colleen Sweeney

\_\_\_\_\_  
Leon Brown

BE IT RESOLVED THAT By-Law Number 1 being a by-law relating generally to the transaction of the business and affairs of the Corporation be and the same is hereby confirmed with amendment as a by-law of the Corporation.

THE UNDERSIGNED, being all the directors of the Corporation hereby sign the foregoing resolution pursuant to the provisions of the Ontario *Business Corporations Act*.

DATED the 22<sup>nd</sup> day of January, 2009.

1814878 ONTARIO INC.

Per: \_\_\_\_\_  
Colleen Sweeney

\_\_\_\_\_  
Leon Brown

**BY-LAW NUMBER 2**

**A BY-LAW RESPECTING THE BORROWING OF MONEY, THE ISSUING OF  
DEBT OBLIGATIONS AND THE SECURING OF LIABILITIES**

**ROYAL YORK FC INC.**

BE IT ENACTED and it is hereby enacted as a by-law of

**ROYAL YORK FC INC.**

(hereinafter called the "Corporation") as follows:

The directors of the Corporation may from time to time:

- (a) Borrow money on the credit of the Corporation;
- (b) Issue, reissue, sell or pledge debt obligations of the Corporation but no invitation shall be extended to the public to subscribe for any such debt obligations;
- (c) Subject to the Ontario *Business Corporations Act*, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;
- (d) Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and
- (e) Delegate the powers conferred on the directors under this by-law to a director, a committee of directors or an officer of the Corporation to such extent and in such manner as the directors shall by resolution determine.

PASSED the 22<sup>nd</sup> day of January, 2009.

WITNESS the corporate seal of the Corporation.

\_\_\_\_\_  
Leon Brown - President

\_\_\_\_\_  
Colleen Sweeney – Executive Assistant c/s

BE IT RESOLVED THAT By-Law Number 2 being a by-law relating generally to the borrowing of money by the Corporation be and the same is hereby made as a by-law of the Corporation and the President and the Secretary be and they are hereby authorized to sign the by-law and to apply the corporate seal thereto.

THE UNDERSIGNED, being all the directors of the Corporation hereby sign the foregoing resolution pursuant to the provisions of the Ontario *Business Corporations Act*.

DATED the 22<sup>nd</sup> day of January, 2009.

\_\_\_\_\_  
Colleen Sweeney

\_\_\_\_\_  
Leon Brown

BE IT RESOLVED THAT By-Law Number 2 being a by-law relating generally to the borrowing of money by the Corporation be and the same is hereby confirmed without amendment as a by-law of the Corporation.

THE UNDERSIGNED, being all the shareholders of the Corporation hereby sign the foregoing resolution pursuant to the provisions of the Ontario *Business Corporations Act*.

DATED the 22<sup>nd</sup> day of January, 2009.

1814878 ONTARIO INC.

Per: \_\_\_\_\_  
Colleen Sweeney

\_\_\_\_\_  
Leon Brown

