

EMBLEM COMMUNITY DEVELOPMENT CORPORATION

BY-LAW NO. 1/2004

BEING THE GENERAL BY-LAW

BE IT ENACTED AND IT IS HEREBY ENACTED as a By-law of EMBLEM COMMUNITY DEVELOPMENT CORPORATION (hereinafter called the "Corporation"), as follows:

REGISTERED OFFICE

1. The registered office of the Corporation shall be:

209 Airdrie Street
P.O. Box 146
HARTNEY, Manitoba
ROM OXO

NAME

2. The name of the Corporation shall be the EMBLEM COMMUNITY DEVELOPMENT CORPORATION.
3. The Corporation resolves at this time not to have a Corporate Seal.

GEOGRAPHIC BOUNDARIES

4. EMBLEM Community Development Corporation shall serve all those persons and corporations who are residents of and who do business in and about the Municipality of Grassland.

BOARD OF DIRECTORS AND QUORUM

5. The property and business of the Corporation shall be managed by a Board of Directors, consisting of a minimum of four (4) and a maximum of seven (7) directors, a majority of whom appointed from time to time shall constitute a quorum. The ownership and control of the Corporation is vested in this Board of Directors.

QUALIFICATIONS AND METHOD OF APPOINTMENT

6. The Board of Directors shall consist of four (4) to seven (7) directors, who shall be appointed by the Council of Municipality of Grassland.
 - a) All appointed Directors must be residents of the Municipality of Grassland. Any person who operates a business within the Municipality of Grassland shall be considered a resident of that Municipality for purposes of eligibility as a director.

TERM OF OFFICE

7. The Directors shall be appointed for a term of two (2) years. Directors shall be restricted to a maximum of three consecutive two (2) year terms. The initial appointment of Directors shall be as follows:
- a) The Council of the Municipality of Grassland shall appoint the following representatives to the initial Board of Directors of the Corporation:
 - (i) Two - three (2 - 3) Directors for a term of two (2) years;
 - (ii) Two - three (2 -3) Directors for a term of one (1) year.

Appointments in the next and all following years shall be for two (2) year terms.

REMOVAL

8. The office of a Director shall be automatically vacated:
- (a) If a Director shall resign his office by delivering a written resignation to the Secretary of the organization;
 - (b) If he is found to be or becomes of unsound mind;
 - (c) If he becomes bankrupt;
 - (d) If at a special general meeting of Directors called for that purpose, a resolution is passed by three quarters of the Directors present at the meeting that he be removed from office;
 - (e) If he misses three consecutive board meetings without a reasonable explanation;
 - (f) If he ceases to reside in the Corporation's geographic boundaries, provided that where a Director becomes a non-resident, he may by resolution of the Board of Directors be entitled to complete his term as a Director; or
 - (g) On death.

Provided that, if any vacancy shall occur for any reason in this paragraph contained, the Directors may by resolution fill the vacancy for the balance of the term of office.

MEETING LOCATION

9. The Board of Directors shall meet at a location predetermined by the Board or as called by the President. A meeting may be convened by the President or Vice• President or by any two Directors. Notices of meetings may be by telephone, by mail, by Fax, by e-mail, or by personal contact. Notice of meetings shall be provided one week in advance unless the Directors agree to waive this notice by mutual consent.

VOTING PROCEDURE

10. Resolutions of the Board shall be decided by a majority of votes, provided that a quorum is present. The President or Chairman is entitled to vote on, any matter, and in the case of an equality of votes the motion shall be declared lost.
11. In the absence of the President or the Vice-President, the Directors present shall choose one of their number to be the chairman of that Board of Directors' meeting.
12. A chairman may, with the consent of any meeting, adjourn a Board of Directors' meeting.

REMUNERATION

13. Directors shall serve without remuneration but an honorarium may be established subject to approval of the shareholders. Directors shall be reimbursed for travel and other expenses duly incurred while on authorized business of the Corporation.

DIRECTORS AND OFFICERS

14. At the first meeting after the annual fiscal year-end report, the appointed Directors shall elect Directors to the following positions, namely:
 - (a) **President**

The President shall act as Chairman of the Board, as well as Chief Executive Officer of the Corporation. His duties shall be to possess and exercise such powers and fulfil such duties as the Board of Directors shall from time to time determine by resolution.
 - (b) **Vice-President**

The Vice-President shall, in the absence of the President, assume the duties and responsibilities of the President and such other responsibilities that the Board may direct from time to time.
 - (c) **Secretary, -Treasurer or Secretary-Treasurer**

The Secretary, Treasurer or Secretary-Treasurer, as the Board deems necessary from time-to-time, may be a member of the Board or appointed from outside the Board.
 - (i) The Secretary shall issue all notices of meetings of the Directors and Shareholders, record the resolutions at all meetings, have charge of the minute books of the Corporation, and hold in safe keeping all the records and documents of the Corporation.
 - (ii) The Treasurer shall have the care and custody of all the funds and securities of the Corporation, and shall deposit them in such Bank or Credit Union as the Board directs from time to time, by resolution. The Board may require the Treasurer to be bonded.
- (d) **Development Officer**

The Board may appoint a development officer who cannot be a Director of the Corporation. The Board shall prescribe in writing the duties, responsibilities and term of this office (Schedule A). The incumbent shall conform to all lawful orders given to him by the Board. He shall give the Board all information it requires regarding the affairs of the Corporation.
- (e) **Other Officers**

Other Officers may be appointed as required by the Board to fulfil the mandate of

the Directors and perform such duties as directed.

SIGNING AUTHORITY

15. All cheques, documents, and instruments of the Corporation shall be signed by anyone who is authorized to sign on behalf of the Municipality of Grassland.

FISCAL YEAR

16. The Fiscal Year of the Corporation shall be terminated on the 31st Day of December, in each year.

ANNUAL SHAREHOLDER REVIEW

17. The Council of the Municipality of Grassland, as sole shareholder of the Corporation, shall undertake an annual review of the affairs of the Corporation, and this review shall normally occur shortly after the annual fiscal yearend report of the Corporation.

ANNUAL MEETINGS

18. An annual meeting of the Shareholder of the Corporation shall be held at the registered office of the Corporation or elsewhere in the Province of Manitoba as the Shareholders may designate, and on such day as the Shareholders shall appoint. At every annual meeting in addition to any other business that may be transacted, the report of the Directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. This annual meeting shall be held within four (4) months of the fiscal year-end of the Corporation.

Fourteen days prior notice of any annual general meeting of shareholders shall be distributed through the region in a method deemed appropriate by the Board. Voting by proxy shall not be allowed.

SPECIAL MEETINGS

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

Written notice of special meetings of the Board shall be given not less than five (5) days prior to the day on which such a meeting is to be held. The notice shall state the place, day and hour of the meeting, and the general nature of the business to be transacted thereat.

Notice of special meetings may be given either personally or by posting same in a sealed envelope, with postage pre-paid addressed to the Director at his address. A notice or other document so sent by post shall be held to be sent at the time when same was deposited in the post office or public letter box as aforesaid. The last address as recorded in the books of the Corporation shall be the address of the Director for the purposes of notice under this section.

SHARES

20. The Municipality of Grassland will be the sole shareholders of the Corporation.

RESERVE FUND

21. The Board may from time to time set aside such sums as it deems fit as a Reserve Fund to meet appropriate contingencies. The Board may in its discretion increase, reduce or abolish any reserve fund in whole or in part and may transfer the whole or any part of any reserve fund to surplus.

SHARES & SECURITIES IN OTHER COMPANIES

22. Where the Corporation owns voting shares in another company, the Board may appoint a person to represent the Corporation as directed by the Board and issue voting certificates and other evidence of the right to vote in such names as it may determine.

LOANS POLICY

23. The Corporation may, by resolution, establish a loan policy or policies to provide guidelines as to eligibility, purposes and terms for the provision of loans to persons or businesses as a source of locally administered venture capital to partially finance the start-up or expansion of small business ventures within the Municipality of Grassland.

INVESTMENTS

24. The Board of Directors shall have authority, on behalf of the Corporation, to invest in any business activity that it deems appropriate.

PROTECTION OF DIRECTORS

25. No contract between this Corporation and any other company, corporation or association shall be affected by the fact that Directors of the Corporation are interested in or are shareholders, directors or officers of such other company, corporation or association.
26. Every Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract with the Corporation, shall declare such interest and shall refrain from voting on matters related to the contract or arrangement or proposed contract or arrangement.
27. The Corporation hereby consents that each and every Director or officer of the Corporation shall be deemed to have assumed office on the expressed understanding and agreement that he, his heirs, executors, and administrators shall at all times be indemnified and saved harmless out of the funds of the Corporation from and against all costs, charges and expenses whatsoever which may be sustained or incurred in or about actions, suits or proceedings that are brought, commenced or prosecuted against him in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

DISTRIBUTION OF ASSETS

28. In the event of dissolution, winding up or liquidation of the Corporation, all of its remaining assets after payment of its liabilities shall, subject to the approval of the Province of Manitoba, be transferred to any other organization in Municipality of Grassland which has similar aims and objectives; and if none exists, to the Municipality of Grassland.

COMING INTO FORCE

29. This by-law shall come into force and effect on the day and year it is sanctioned at a meeting of the Board of Directors.

AUDITORS

30. The annual audit will be done with the Municipality of Grassland audit and the auditors of their choosing each year.

BORROWING

31. When authorized by resolution duly passed by at least two-thirds of the votes cast at a Board of Directors meeting called for considering the resolution, the Directors of the Corporation may from time to time:
- (a) borrow money upon the credit of the Corporation
 - (b) limit or increase the amount to be borrowed
 - (c) issue debentures or other securities of the Corporation
 - (d) pledge or sell such debenture or other securities for such sums and at such price as may be deemed expedient
 - (e) secure any such debentures or other securities, or any other present or future borrowing or liability of the Corporation, by mortgage, charge or pledge of all or any currently owned or subsequently acquired real and personal, moveable and immovable property of the Corporation, and the undertaking and rights of the Corporation.

Any such resolution may provide for the delegation of such powers by the Directors to such Officers or Directors of the Corporation to such extent and in such manner as may be set out in the resolution. Nothing herein limits or restricts the borrowing of money by the corporation in bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

EMPLOYEES

32. The Board of Directors may hire or dismiss such employees as it may deem necessary to perform such duties as the Board of Directors may from time to time determine. The remuneration of all employees shall be determined from time to time by resolution of the Board of Directors. All employees in the absence of agreement to the contrary shall be subject to removal by resolution of the board of Directors.

FINANCIAL MANAGEMENT

33. The Corporation shall have one operating fund which to carry on the business of the Corporation.
- (a) The Operating Fund
 - (i) The operating fund is to be supplied by an annual grant from the Municipality of Grassland.
 - (ii) The Board of Directors shall have the complete and absolute discretion to expend the operating funds as they deem fit, as long as the expenditures are consistent with the Municipality of Grassland tendering and procurement policies and in furtherance of the objectives of the Corporation.
 - (iii) The Board shall be entitled to accumulate surplus operating funds from various years grants to fund extraordinary projects, at their discretion.
 - (b) In addition to the operating fund, the Corporation may from time to time establish separate reserve funds or sinking funds for the purpose of undertaking any projects for the purpose of undertaking any projects or programs related to the social or economic development of the area, provided that these funds are established from allocations from the operating fund.

CONFIDENTIALITY

- 34. All material that an applicant provides to the Corporation in connection with a request for financing must be considered as confidential and care must be taken to ensure that the circulation of all such material relating to the fund is restricted to those officers and staff who have a direct responsibility for a specific aspect of the administration of the account. Disclosures of information to anyone not authorized to deal with the same is strictly prohibited. In extraordinary cases, these prohibitions may be waived with the written consent of the applicant

Where the Corporation obtains credit and/or character references from outside sources, these are to be kept confidential and access to them without permission of the source must be denied to the applicant. When requested, the Corporation will give the applicant the source to whom he may direct his inquiry.

INTERPRETATION

- 35. In these by-laws, and in all other by-laws of the corporation hereafter passed unless the context otherwise requires, words imparting the singular number or the masculine gender shall include the plural number or the feminine gender as the case may be, and vice versa, and references to persons shall include firms and corporations.

AMENDMENTS

- 36. Bylaws of the Corporation may be enacted and the bylaws repealed or amended, by a two-thirds (2/3) majority vote of the Directors present at a meeting of the Board of Directors.

PASSED AND ENACTED at a general Board of Directors' meeting held this _____ day of _____, A.O. 2020.

EMBLEM COMMUNITY DEVELOPMENT CORPORATION

PRESIDENT

SECRETARY - TREASURER