

BYLAWS of SOUTH EAST ALBERTA RURAL CRIME WATCH ASSOCIATION

1. Interpretation

1.01 Definitions – In these Bylaws, the terms hereinafter defined shall, unless the context otherwise requires, have the following meanings:

- i. “Act” means the Societies Act (Alberta), as amended from time to time;
- ii. “Association” means the South East Alberta Rural Crime Watch Association;
- iii. “Board” means the board of directors of the Association;
- iv. “Director” means a member of the Board (and includes Officers of the Association);
- v. “Good Standing” means a Member that has paid its annual fees and dues and has not otherwise been removed or expelled from membership;
- vi. “Local Crime Watch Association” means a rural crime watch association within the Province of Alberta;
- vii. “Member” means any person who has been granted membership in the Association;
- viii. “Objectives” means the objectives of the Association as filed with the Registrar of Corporations of the Province of Alberta from time to time;
- ix. “Special Resolution” means a special resolution passed in accordance with the requirements of the Act;
- x. “Standards of Conduct” means those standards of conduct more specifically set out in Article 12.02 of these Bylaws;
- xi. “Zone” (or “Zones”) means that area (or those areas) of the Province of Alberta as determined by the Board from time to time.

1.2 Gender, etc. – Unless the context otherwise requires, words used herein importing the masculine gender shall include the feminine and neuter genders and vice versa and works importing the singular number shall include the plural and vice versa; “person” shall mean a natural person only.

1.3 Headings – The descriptive headings appearing in these Bylaws are inserted for convenience purposes only and do not constitute a part of these Bylaws.

2. Membership

2.1 Classes of Membership – The various classes of membership shall be determined, from time to time, by the Board.

2.2 Fee – The annual membership fee, shall be determined, from time to time, by the Board.

2.3 Eligibility – Membership in the Association shall be open to any person residing within the Association area familiar with the Objectives. A person or entity residing outside of the area that makes up the Association may apply to the Members at an annual general meeting for membership in the Association, which membership may be subject to restrictions stipulated by the Members.

2.4 Withdrawal of Membership – Any Member wishing to withdraw from membership may do so upon notice in writing to the Board through its Secretary. A withdrawing Member shall not be entitled to any refund of the membership fee paid.

2.5 Termination of Membership – If any Member is in arrears for fees or other assessments for any year, his/her/its membership shall be automatically terminated at an expiration of thirty (30) days from the end of such year and the Member shall thereafter be entitled to no membership privileges or powers of the Association until reinstated. Any Member may be expelled from membership for any cause that the Association may deem reasonable upon a majority vote of all Members of the Association in Good Standing.

2.6 Restrictions – All Members shall be bound by, subject to, and obliged to observe these Bylaws as they exist from time to time.

3. Meetings of the Members

3.1 Annual General Meeting – The Association shall hold an annual general meeting in each year within six (6) months of its fiscal year end or at such other time and place as may be determined by the Board. The business of the annual general meeting shall be:

- (a) to present the nominees for the Board of the Association, to accept any further nominations for the Board, and to elect the Board;
- (b) to appoint the Auditor of the Association for the current financial year;
- (c) to receive and consider any reports by the Board and/or officers, the financial statements, and the Auditor's reports thereon;
- (d) to ratify and confirm the acts of the Board and officers of the Association and any of their committees, delegates and agents (if any); and
- (e) such other business as may be properly brought before the meeting.

3.2 General Meeting – A general meeting of the Members may be called at any time by the Secretary upon the instructions of the President or the Board.

3.3 Special Meeting – A special meeting of the Members shall be called by the Secretary or President upon receipt by him/her of a written requisition of at least one-third (1/3) of the Members in Good Standing, setting forth the reasons for calling such special meeting.

3.4 Notice – At least fourteen (14) days' notice of all meetings of the Members (including the annual general meetings) shall be given to the Members.

3.5 Quorum – One-third (1/3) of all Members in Good Standing who are personally present shall constitute a quorum at any meeting of the Members (including annual general meetings).

3.6 Delegates – Each Member shall select a delegate to represent that Member, which delegate shall be entitled to vote on behalf of that Member. All delegates must have attained the age of eighteen (18) years.

3.7 Validity – The accidental omission to give notice to all Members, any irregularity in the notice, or the non-receipt by any Member of such notice, shall not invalidate any resolution passed or the proceedings taken at any meeting of the Members (including annual general meetings).

3.8 Chair – The President, or in his/her absence, any other Director appointed in the meantime, shall preside as Chair of every meeting of the Members (including annual general meetings).

3.9 Voting – Any Member in Good Standing shall have the right to vote at any meeting of the Members. Every question submitted to any meeting of the Members shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot. A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn. At any meeting, unless a ballot is demanded, a declaration by the Chair of the meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

3.10 Special Resolution – Notwithstanding the foregoing, additional notice, quorum, voting and other requirements may be required by the Act in the event of a Special Resolution.

3.11 No Proxies – Voting by way of proxy shall be prohibited.

4. Board of Directors

4.1 Number – There shall be no less than three (3) and not more than twenty (20) persons on the Board at any one time unless otherwise determined by Special Resolution.

4.2 Eligibility – Any Member in Good Standing is eligible for election to the Board; however, the Board shall at all times contain no less than a majority of Directors who are Canadian citizens or permanent residents of Canada. Each year in June, all Board members will provide a current Criminal Record Check to the Secretary for records keeping as per the Memorandum of Understanding with RCMP.

4.3 Composition – The Board shall consist of the following:

- (a) the President;
- (b) the Vice-President;
- (c) the Secretary;
- (d) the Treasurer; and
- (e) ten (10) Directors (five (5) from Zone 1 Cypress County & five (5) from Zone 2 County of Forty Mile).

4.4 Secretary-Treasurer – The offices of Secretary and Treasurer may be combined from time to time by the Board into the single office of Secretary-Treasurer.

4.5 Election – The election of persons to the Board shall occur at the annual general meeting of the Members. Subject to the requirements of Article 4.03, the Members shall elect the Board, except that:

- (a) each of the Directors shall be elected by the Members from the Zone to which each of the Directors relate (i.e. five (5) per Zone);
- (b) the President shall be elected by the Board elected at the annual general meeting; and
- (c) the Vice-President shall be elected by the Board elected at the annual general meeting;
- (d) the Secretary and Treasurer (or Secretary-Treasurer) shall be elected by the Board elected at the annual general meeting;

4.6 Terms – The President, Vice-President, Secretary and Treasurer (or Secretary-Treasurer) shall hold office for three-year terms. All other Directors shall hold office for three-year terms. Directors shall be elected to hold office until their successors have been elected.

4.7 Casual Vacancy – The Board shall have the power to appoint any Member as a Director to fill a casual vacancy on the Board.

4.8 Powers – Full control and management of the business and affairs of the Association shall be vested in the Board, who, in addition to the powers and authorities by these Bylaws or otherwise expressly conferred upon them, may exercise all such powers and do all acts and things as may be exercised or done by the Association and are not hereby or by the Act expressly directed or required to be exercised or done by the Members. In addition, each Director shall perform such duties as may from time to time be assigned to them by the Board.

4.9 Delegation and Committees – The Board may delegate any of their powers to any other person or persons and appoint such committees as they think fit, with such duties and responsibilities and upon such other terms and conditions as determined by the Board, and may at any time revoke such delegation or appointment, and any such person or persons or committees so appointed shall, in the exercise of powers so delegated conform to these Bylaws and to any other requirements that may from time to time be imposed upon him/her/them by the Board.

4.10 Remuneration – A Director, Officer, delegate, or committee member shall not (as such) be entitled to any remuneration for his/her/their services; provided, however, if any Director, Officer, delegate, or committee member is called upon to perform extra services for the Association, as determined by the Board, the Association may remunerate him/her/them for the said services by such sum as may be determined by the Board. Payment of expenses incurred by a Director, Officer, delegate, or committee member in connection with the affairs of the Association shall be subject to approval by the Board.

4.11 Agents and Employees – The Board may appoint such agents and retain such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as prescribed by the Board at the time of such appointment or retention.

4.12 Removal from Office – The office of any Director/Officer shall be automatically vacated:

- (a) on resignation of the Director/Officer by delivery of a written resignation to the Board;
- (b) if the Director/Officer is found to be or becomes of unsound mind;
- (c) if the Director/Officer dies; or

(d) by a vote of not less than 75% of those members of the Board entitled to vote that the Director/Officer be removed from office for any of the following reasons:

A. unethical conduct;

B. conduct that is detrimental to the good name of the Association; or

C. any other reason the Board may, in their uncontrolled discretion, see fit.

4.13 No Disqualification – No Director/Officer shall be disqualified from his/her office by, or vacate his/her office by reason of, holding any office or place of profit under or through the Association or by reason of being otherwise in any way directly or indirectly interested or contracting with the Association either as a vendor, purchaser, supplier of goods and services, or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Association in which he/she is in any way directly or indirectly interested either as vendor, purchaser, supplier of goods and services or otherwise; nor shall any Director/Officer be liable to account to the Association or any of its Members for any profit arising from any such office or place of profit, and no contract or arrangement entered into by or on behalf of the Association in which any Director/Officer shall be in any way directly or indirectly interested shall be void or voidable and no Director/Officer shall be liable to account to the Association or any of its Members for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship.

4.14 Disclosure – Every Director/Officer shall declare any material interest in respect of a material transaction, material contract, proposed material contract, or proposed material transaction with the Association in which such Director/Officer is in any way directly or indirectly interested. Any such Director/Officer shall refrain from voting in respect of such contract, proposed contract, or transaction.

4.15 Directors and Officers Not Liable – Except as otherwise provided by law, no Director/Officer for the time being of the Association shall be liable for the acts, receipts, neglects, or defaults of any other Director/Officer or employee or agent of the Association or for joining in any receipt or 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 the Association or on behalf of the Association or the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Association shall be placed or invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, firm, or

corporation including any person, firm, or corporation with whom or which any monies, securities, or effects shall be lodged or deposited or for any loss, conversion, misapplication, or misappropriation of or any damage resulting from any dealings with any monies, securities, or other assets belonging to the Association or for any of the loss, damage, or misfortune whatever which may happen in the execution of the duties of his/her respective office or trust or in relation thereto unless the same shall happen by or through his/her failure to exercise the powers and to discharge the duties of his/her office honestly and in good faith with a view to the best interests of the Association and in connection therewith to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. The Directors/Officers for the time being of the Association shall not be under any duty or responsibility in respect of any contract, act, or transaction whether or not made, done, or entered into in the name or on behalf of the Association, except such as shall have been submitted to and authorized or approved by the Board. If any Director/Officer of the Association shall be employed by or shall perform services for the Association otherwise than as a Director/Officer or shall be a member of a firm or a shareholder, director, or officer of a company which is employed by or performs services for the Association, the fact of his/her being a Director/Officer of the Association shall not disentitle such Director/Officer of such firm or company, as the case may be, from receiving proper remuneration for such services.

5. Meetings of the Board

5.1 Meetings of the Board – Meetings of the Board shall be held as often as may be required, but at least once (1) time per year, and shall be called by the President or Secretary. A meeting of the Board shall be called by the President or Secretary upon receipt by him/her of a written requisition of any three (3) Directors, with representation from at least two (2) Zones, setting forth the reasons for calling such meeting.

5.2 Notice – At least eight (8) days' written notice of all meetings of the Board shall be given to the Directors. The said notice shall indicate the nature of the business which is proposed to be dealt with at the meeting and shall contain sufficient information to permit a Director to make a reasoned judgment on any decision to be taken.

5.3 Quorum – One-third (1/3) of all Directors (but in any event no less than three (3)) shall constitute a quorum at any meeting of the Board. A meeting of the Board may be held without notice if a quorum of the Board is present; provided, however, that any

business transacted at such meeting shall be ratified at the next regularly-called meeting of the Board; otherwise the business transacted shall be null and void.

5.4 Validity of Acts – A meeting of the Board at which a Quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Bylaws or by law for the time being vested in or to be exercised by the Board generally, and any person or persons to whom authority is delegated by the Board hereunder shall, notwithstanding that it shall afterwards be discovered that there was some defect in his/her/their appointment, or that he/she/they was/were disqualified, be as valid as if every such person was duly appointed or qualified.

5.5 Resolution in Writing – A resolution signed by all Directors shall be as valid and effective as if it had been passed at a duly constituted meeting of the Board.

6. Officers (Executive Committee)

6.1 President – The President shall be ex-officio a member of all committees. The President shall, when present, preside and act as Chair at all meetings of the Members and meetings of the Board. In his/her absence, the Vice-President shall perform the President's duties. The Chair shall not vote except to resolve a tie vote. The President shall be charged with the general management and supervision of the affairs and operations of the Association.

6.2 Vice-President – The Vice-President shall assist the President with his/her duties and one (1) of whom shall, in the event of the inability of the President to perform his/her duties, take the place of the President in his/her absence.

6.3 Secretary – The Secretary shall:

- (a) keep a register of all Members of the Association, including their full name, residential address, telephone number, email address (if any), date of admittance as a Member, and date of ceasing to be a Member;
- (b) keep a register of all members of the Board, including their full name, residential address, telephone number, email address (if any), date of admittance as a member of the Board, and date of ceasing to be a member of the Board;
- (c) attend all meetings of the Members and meetings of the Board and keep accurate minutes of the same;
- (d) have charge of the Seal and Minute Book of the Association;
- (e) have charge of all the correspondence of the Association and, when requested, provide a report of the same at the meetings of the Board; and

(f) send all notices of all meetings in accordance with these Bylaws, as required.

6.4 Treasurer – The Treasurer shall:

(a) be responsible for receiving, depositing and disbursing all funds (including membership fees) on behalf of the Association in accordance with the directions of the Board; and

(b) keep an accurate record of all financial transactions on behalf of the Association, have custody of the said records, and make the same available to the Board at their direction.

6.5 The Board may, if it so desires, appoint Honourary Officers for whatever term they desire. Any such Honourary Officers shall not be involved in the operation of the Association or have a vote on the Board.

7. Auditing

7.1 Auditor(s) – The books, accounts and records of the Association shall be audited at least once each year by a duly qualified accountant or by two Members of the Association elected for that purpose at the annual general meeting of the Members. A complete and proper document of the standing of the books for the previous year shall be submitted by such Auditor(s) at the annual general meeting of the Members.

7.2 Examination of Books and Records – The books and records of the Association may be inspected by any Member in Good Standing at the annual general meeting of the Members or at any other time upon giving reasonable notice and arranging a time satisfactory to the Board. Each Director shall at all times have full access to such books and records.

8. Notice

8.1 How Given – Any notice or other communication required to be given to a Member or a Director pursuant to these Bylaws or required by the Act shall be delivered personally, sent by prepaid mail, automated phone call to the number on record, text message, or sent by email to any such person at his/her latest address, or email address as shown in the records the Association. A notice shall be deemed to be given when it is delivered personally to any such person; a notice by automated phone call or text message shall be deemed to be given on the day completed as recorded by delivery service; a notice mailed shall be deemed to have been given three (3) business days after deposited in a post office or public letter box; and a notice sent by means of e-mail shall be deemed to have been given when e-mailed, other than a Saturday,

Sunday or statutory holiday. The Secretary may change or cause to be changed the recorded address, phone number or email address of any Member or Director in accordance with any information reasonably believed by him/her to be reliable.

8.2 Meetings of the Board – Notwithstanding Article 8.01, meetings of the Board may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence.

9. Arbitration

9.1 In the event of any disagreement or dispute (collectively referred to as a "Dispute") relating:

(a) to any matter in relation to these Bylaws; or

(b) to any matter relating to the relationship of the Members and/or Directors as determined by these Bylaws; or

(c) to the request by any Member or Director of any other Member or Director for damages, interest, costs, or any other relief; or

(d) to the determination of the rights or liabilities of any Member or Director pursuant to these Bylaws; or

(e) to the determination of whether a Member or Director acted in good faith, or with a view to the best interests of the Association; or

(f) to the interpretation or construction of these Bylaws; or

(g) to any matter in relation to or in connection with these Bylaws; or

(h) to any matter which is arbitral as between a Member(s) and/or a Director(s), although not expressly addressed in this Article 9.01; such Disputes shall be referred to Arbitration, pursuant to the terms of this Article 9.

9.2 In any instance in which there is, as between persons contemplated in Article 9.01 (the "Parties"), a Dispute which may be made out under the Law of Tort or negligence, and concurrently under the Law of Contract, the Dispute relating to the Law of Contract must be referred to Arbitration under this Article 9 as opposed to bringing an action in any Court. In addition, if the Dispute relates to the tortious interference by any Party with the rights of any other Party under these Bylaws, such Dispute shall be referred to Arbitration.

9.3 It is confirmed that any actionable Tort of assault, battery, or defamation shall not be referred for Arbitration, but the above-noted restriction shall in no way restrict the right of

any Party to seek the resolution, by Arbitration, of any of the Dispute that relates to these Bylaws.

9.4 It shall be in the absolute discretion of the arbitrator, upon the request to the arbitrator of any Party to these Bylaws, to mediate any Dispute, which has been referred for Arbitration. The success or lack of success of any mediation or attempt at mediation by the arbitrator shall not impair the ability of the arbitrator to deal with any Dispute referred for Arbitration under this Article 9, and to render any decision, thereon.

9.5 The Parties agree that in carrying out the terms of this Article 9, and in all matters relating to this Article 9, they shall act reasonably, ethically, and in good faith having regard to the spirit and intent of this Article 9. Notwithstanding anything in these Bylaws, in the event that the arbitrator determines that any Party has acted unreasonably or with malice, in carrying out the terms of this Article 9, or enforcing their rights under this Article 9, the arbitrator shall be entitled to make such order as the arbitrator deems just and equitable in order to compensate for or remedy the unreasonable action or malice. The onus shall be on the Party claiming "unreasonableness or malice" to prove the same.

9.6 The Parties agree that the award of the arbitrator shall be final and binding upon the Parties and all persons claiming through or under them, and may not be subject to a review or appeal in any Court of Law or Equity.

9.7 The Parties hereto and all persons claiming through or under them hereby attorn to the jurisdiction of the arbitrator and the jurisdiction of any Court in which the judgment may be entered.

9.8 Arbitration may not be waived except upon the written agreement of all Parties.

9.9 The costs of the Arbitration shall be paid as determined by the arbitrator.

9.10 If any Party ("First Party") wishes Arbitration of a Dispute, he shall deliver to the other Party ("Second Party") a notice ("Notice"), in writing, stating the nature of the Dispute and stating that it wishes the Dispute settled by Arbitration.

9.11 Within fifteen (15) days of the receipt ("Receipt") of the Notice, by the Second Party, both the First Party and the Second Party shall agree to a single arbitrator ("Arbitrator") who shall arbitrate the Dispute.

9.12 If the First Party and the Second Party are not able to agree to the appointment of the Arbitrator, then within twenty-one (21) days of the Receipt, the First Party shall

commence an application ("Application") to the Court of Queen's Bench of Alberta at Calgary, Alberta, requesting the appointment of an Arbitrator.

9.13 Each Party shall use all reasonable efforts to pursue the Application.

9.14 Unless otherwise stated in this Agreement, any Arbitration to be conducted pursuant to this Agreement shall be conducted in accordance with the provisions of The Arbitration Act of Alberta, or its successor statute and subject to the following rules of procedure:

(a) Each Party to the Arbitration shall serve, at least fourteen (14) days before the commencement of the Arbitration, a brief ("Brief"), in writing, upon the other Parties and the Arbitrator. The Brief shall contain the following:

- (i) a statement of the facts relating to the Dispute;
- (ii) a list of the names of all witnesses, to be called by the Party, including experts;
- (iii) in the case of experts, a specific statement as to the qualifications of the expert;
- (iv) a statement, in sufficient detail, setting out the evidence to be brought forward through each named witness;
- (v) a statement of all statutes and regulations, and case authority to be relied upon, including copies of the same;
- (vi) a statement of the argument of the Party;
- (vii) at least seven (7) days before the commencement of the Arbitration, either Party may serve upon the other Parties to the Arbitration and the Arbitrator, a brief ("Responding Brief") responding to the Brief of the other Party or Parties; and
- (viii) no fact, statutory or case authority, or argument, maybe elicited, brought forward or made at the Arbitration if such is not contained within the Brief or Responding Brief of a Party, except in exceptional circumstances ("Exceptional Circumstances"); such Exceptional Circumstances to be determined solely by the Arbitrator applying the legal principle of "good faith".

(b) The First Party shall have four (4) hours, in total, to lead all its evidence;

(c) The Second Party shall have ninety (90) minutes, in total, to cross-examine the First Party and his witnesses, including all experts;

(d) The Second Party shall have four (4) hours in total to lead all his evidence;

(e) The First Party shall have ninety (90) minutes, in total, to cross-examine the Second Party and his witnesses, including all experts;

- (f) The First Party and the Second Party shall each have forty-five (45) minutes to present their final argument;
- (g) No further evidence or arguments shall be called or allowed;
- (h) The Parties will attempt to complete the Arbitration in one (1) day, but if that is not possible, it may lead into a portion of the second consecutive day, but all above time lines shall be adhered to; and
- (i) The Arbitrator shall provide his award, in writing, within seven (7) days of completion of the evidence and argument.

9.15 Any Arbitration shall be conducted at the City of Calgary, in the Province of Alberta, unless otherwise agreed to, in writing, by all of the Parties.

9.16 The Parties agree that they will not appeal the award of the Arbitrator on a question of law, on a question of fact, on a mixed question of law and fact, or on any other basis, whatsoever.

9.17 The Parties recognize the ability of the appropriate Court in Alberta to enforce an award made by the Arbitrator. If any Party seeks a judgment of the Court of Queen's Bench of Alberta to enforce an award given under this Article 10, the Parties confirm that they wish the Court to grant such a judgment as expeditiously as possible, bearing in mind

that the Parties wish the Court to interpret the matter set out in Section 45 of The Arbitration Act, or amendments thereto, as restrictively as possible.

10. Execution of Instruments

10.1 Corporate Seal – The Association may adopt a corporate Seal. The Seal adopted by the Association shall be such as may be approved by resolution of the Board and shall include the name of the Association.

10.2 Execution of Instruments – Contracts, documents, and instruments in writing (which “contracts, documents and instruments in writing” as used in this Bylaw shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings) requiring execution on behalf of the Association may be signed by: (a) the President and any other Director; (b) in the absence of the President, the Vice-President and any other Director; or (c) in the

absence of the President and Vice- President, the Secretary and any other Director. All contracts, documents and instruments in writing so signed shall be binding upon the Association without any further authorization or formality. Notwithstanding the foregoing, the Board shall have the power from time to time to appoint any person or persons, on behalf of the Association either to sign contracts, documents and instruments in writing generally or to sign specific contacts, documents or instruments in writing.

10.3 Use of Corporate Seal – The Seal of the Association may be affixed to contracts, documents and instruments in writing signed as aforesaid in Article 10.02 or by any person or persons appointed by the Board but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

11. General

11.1 Bylaw Amendments and Revisions – Articles of these Bylaws may be repealed, revised, or amended by Special Resolution of the Members. Notice of the proposed Special Resolution shall include the proposed amendments and/or revisions to be discussed and voted upon.

11.2 Financial Year – The financial year of the Association shall be as set by the Board from time to time.

11.3 Borrowing Powers – For the purpose of carrying out its Objects, the Association shall have the right to pledge its credit or borrow or raise or secure the payment of money in such manner as it sees fit. In no case shall debentures be issued without the sanction of a Special Resolution of the Association.

11.4 Meeting Teleconference/Video Conference – Unless required to be personally present at a meeting by these Bylaws, and so long as a majority of those personally present at the meeting consent, a Member or Director may participate in a meeting by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a Member or Director participating in such a meeting by such means is deemed to be present at the meeting.

12. Indemnities/Insurance

12.1 Third Party and Derivative Actions – The Association shall indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including an action by or in right of the Association), by reason of the fact that he/she is or was a Director of the Association against expenses

(including legal fees on a solicitor and own client full indemnity basis), judgments, fines, and amounts paid or necessarily incurred in settlement or otherwise, by him/her in connection with such action, suit, or proceeding, provided that such person meets the Standards of Conduct and does not fall under any of the instances set forth in Article 12.03 for which indemnification is prohibited. Such indemnification shall not be deemed exclusive to any other rights to which the Directors are entitled to by law or under any agreement or otherwise.

12.2 Standards of Conduct – Except as provided in Article 12.03 of these Bylaws, the Association shall indemnify and save harmless any person listed in Article 12.01 if: (i) such person conducted him/herself honestly, in good faith, and exercised the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances; (ii) such person reasonably believed: (A) in the case of a Director acting in his/her official capacity, that his/her conduct was in the best interests of the Association, or (B) in all other cases, that such person's conduct was at least not opposed to the best interests of the Association; and (iii) in the case of any criminal proceeding, such person had no reasonable cause to believe his/her conduct was unlawful. For purposes of determining the applicable standard of conduct under this Article, any person acting in his/her official capacity who is also a Director shall be held to the standard of conduct set forth in subsection (ii)(A), even if such person is sued solely in a capacity other than as a Director.

12.3 Indemnification Prohibited – Except as hereinafter set forth in this Article 12.03, the Association shall not indemnify a person under Article 12.01 either: (i) in connection with any action, suit, or proceeding in which the person is or has been adjudged liable for gross negligence or willful misconduct in performance of the person's duty to the Association; or (ii) in connection with any action, suit, or proceeding charging improper personal benefit to the person, whether or not involving action in the person's official capacity, in which the person was adjudged liable on the basis that personal benefit was improperly received by the person (even if the Association was not thereby damaged). Notwithstanding the foregoing, the Association shall indemnify any such person if and to the extent required by the Court conducting the action, suit, or proceeding, or any other Court of competent jurisdiction to which the person has applied, if it is determined by such Court, upon application by the person, that despite the adjudication of liability in the circumstances in subsection (i) and (ii) of this Article 12.03, and in view of all

relevant circumstances, the person is fairly and reasonably entitled to indemnification for such expenses as the Court deems proper.

12.4 Determination – Any indemnification under Article 12.01 (unless otherwise provided herein or ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director is proper in the circumstances because he/she has met the applicable Standards of Conduct. Such determination shall be made: (a) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding; (b) if a majority of the disinterested Directors so direct, based upon a written opinion of independent legal counsel; or (c) by the affirmative vote of the majority of the Members entitled to vote at a meeting of the Members called for such purpose. However, if and to the extent that a Director has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Article 12.01, or in defense of any claim, issue, or matter therein, he/she shall automatically be indemnified against expenses (including legal fees on a solicitor and own client basis) actually and necessarily incurred by him/her in connection therewith without the necessity of any such determination that he/she has met the applicable Standards of Conduct.

12.5 Insurance – The Board may exercise the Association’s power to purchase and maintain insurance on behalf of any person who is or was a Director, employee, fiduciary, or agent of the Association, or is or was serving at the request of the Association as a Director, employee, fiduciary, or agent against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Association would have the power to indemnify him/her against such liability hereunder or otherwise.

12.6 The indemnification provided by Article 12.01 shall not be deemed exclusive of any other rights to which persons seeking indemnification may be entitled, both as to action in his/her official capacity or as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, and shall enure to the benefit of the respective heirs and personal representatives of such persons.

13. Disposition of Assets

13.01 Upon the dissolution of the Association and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to qualified donees

described in sub-section 149.1(1) of the Income Tax Act (Canada), and whose objectives include crime prevention.