

BY-LAWS
of
SUN PEAKS MOUNTAIN RESORT ASSOCIATION
PART 1
INTERPRETATION

1. INTERPRETATION

1.1 In these By-laws, unless there is something in the subject or context inconsistent therewith:

Annual Fees” has the meaning set out in By-law 19.1 e) i.;

“Board” and “the Directors” means the directors of the SPMRA from time to time;

“Business Cost Centre” means the cost centre of the SPMRA set out in By-law 19.1 b);

“Business Cost Centre Resort Lots” has the meaning set out in By-law 19.1 e) ii.;

“Commercial/Tenant/Independent Operator Director” has the meaning set out in 7.4 a) i.;

“Commercial Resort Lot” means that part of a Resort Lot which is not a Hotel Lodging Resort Lot or Non-Hotel Lodging Resort Lot and upon which an improvement has been constructed that is being used primarily for commercial purposes;

“Common Cost Centre” means the cost centre of the SPMRA set out in By-law 19.1 c);

“Controlled Recreation Area” means the area shown outlined in bold black on Schedule “A” attached hereto, (or, if not attached as available on request from the SPMRA office);

“Cost Centres” means the Business Cost Centre, the Common Costs Centre, and all cost centres created by the Directors pursuant to By-law 19.1 h), collectively, and “Cost Centre” means any of them;

“Elected Directors” has the meaning set out in By-law 7.3 b);

“Hotel” means Hotel Lodging;

“Hotel Lodging” means a facility comprising of one or more buildings which:

- a) provides accommodation to the Public; and
- b) has the services on its premises of a front desk that is manned continuously at least 6 hours a day for more than 120 days in any consecutive 365-day period;

“Hotel Lodging Director” has the meaning set out in By-law 7.4 a) ii.;

“Hotel Lodging Resort Lot” means that part of a Resort Lot upon which a Hotel has been constructed or a residential accommodation is being operated as a Hotel;

“Independent Operators” has the meaning set out in By-law 7.4 a) i. (C).;

“Members” at any time means, the persons who are members of the SPMRA at such time pursuant to these By-laws, collectively, and “Member” means any of them;

“MDA” means the agreement with the Province of British Columbia governing the planning, development, operation, and management of the Resort Lands at Sun Peaks Resort at Tod Mountain, British Columbia;

“MDA Holder” means the entity that is party to the MDA with the Province of British Columbia;

“MDA Holder Business Cost Portion” has the meaning set out in By-law 18.3;

“MDA Holder Common Cost Portion” has the meaning set out in By-law 18.3;

“MDA Holder Fee” has the meaning set out in By-law 18.1;

“Non-Hotel Lodging” means that part of a facility that is not a Hotel Lodging that makes rental accommodation available to the Public for 28 days or more in a calendar year (except accommodation that was rented for more than one month in a calendar year on an annual basis to the same person) and, without restricting the generality of the foregoing, includes: (i) any facility which contains strata title condominiums which can be rented through a rental management service (or has a covenant to rent registered on title); (ii) pensions and bed and breakfast type lodgings; (iii) facilities zoned for short-term nightly rentals; and (iv) facilities rented pursuant to a temporary use permit for short-term nightly rentals;

“Non-Hotel Lodging Director” has the meaning set out in By-law 7.4 a) iii.;

“Non-Hotel Lodging Resort Lot” means a Resort Lot that is a residential accommodation unit which has been available as rental accommodations to the Public 28 days or more in a calendar year (except accommodation that was rented for more than 1 month in any calendar year on an annual basis to the same person), or upon which Non-Hotel Lodging has commenced operations or has been constructed;

“Ordinary Resolution” means:

- a) a resolution passed by the Members in a general meeting by a simple majority of votes cast personally or by proxy; or
- b) a resolution consented to in writing, after being sent to all of the voting Members, by at least two-thirds (2/3) of the Members entitled to vote thereon;

“Original Members” has the meaning set out in By-law 2.1 b);

“Owner” means:

- a) the owner of an estate in fee simple of any Resort Land registered under the *Land Title Act*;
- b) the holder of an agreement for sale of any Resort Land registered under the *Land Title Act*;
- c) the holder of any Crown leases of any Resort Land.

“Public”, in respect to a Resort Lot, means any person other than the Registered Owner of that Resort Lot;

“Registered Owner”, in respect to a Resort Lot, means collectively the person registered in the

Land Title Office as owner in fee simple of the Resort Lot, and the spouse and children of such person; and where there is more than one Registered Owner of a Resort Lot, the spouses and children of all such Registered Owners; and where the Registered Owner of a Resort Lot is one or more corporations, all Directors, officers, shareholders, and employees and the spouses and children of each of them together with such corporation or corporations shall be the Registered Owner of the Resort Lot;

“Residential Director” has the meaning set out in By-law 7.4 a) iv.;

“Residential Resort Lot” means that part of a Resort Lot which is not a Hotel Lodging Resort Lot, or a Non-Hotel Lodging Resort Lot, or a Commercial Resort Lot, and is a residential accommodation unit;

“Resort Land” means the land located in the Thompson-Nicola Regional District, Province of British Columbia and which is shown outlined in bold green on the map attached as Schedule “B”, (or, if not attached, as available on request from SPMRA office) except the land deemed to be resort land under By-law 2.2, or a lot, strata lot or other parcel into which the land is subdivided;

“Resort Lot” means any lot including a strata lot under the *Condominium Act* or *Strata Property Act*, block or other area of land included in the definition of “Resort Land” in these By-laws;

“Single Owner Hotel Lodging” means a facility in one (1) location which has more than one hundred and seventy five (175) rooms all owned by the same person or persons;

“Single Owner Hotel Lodging Director” has the meaning set out in By-law 7.4 a) v.;

“Single Owner Hotel Lodging Resort Lot” means a Resort Lot on which a Single Owner Hotel Lodging has been constructed or commenced operations;

“*Societies Act*” means, the British Columbia *Societies Act*, *SBC 2015, c 18*, as amended from time to time;

“Special Resolution” means:

- a) a resolution passed by not less than two-thirds (2/3) of the votes cast by such Members as, being entitled to do so, vote personally or by proxy at a general meeting of the SPMRA;
- b) a resolution consented to in writing by every Member who would have been entitled to vote thereon personally or by proxy at a general meeting of the SPMRA;
- c) if the Board authorizes a vote to occur by mail, email, or other electronic means pursuant to By-law 4.9, a resolution passed by at least two-thirds (2/3) of the votes cast, in accordance with By-law 4.9, on such resolution;

“SPMRA” means the Sun Peaks Mountain Resort Association;

“Tenant/Independent Operator Fees” has the meaning set out in By-law 19.1 e) iii.;

“Tenants” has the meaning set out in By-law 7.4 a) i. (A);

“Unit Value” has the meaning set out in By-law 19.1 i);

“Village” means the area in the Resort Lands.

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- 1.2 Expressions referring to writing shall be construed as including references to printing, lithography, typewriting (including transmitted electronically), photography and other modes of representing or reproducing words in the visible form.
 - 1.3 Words importing the singular include the plural and vice versa, words in one gender include all genders, and words importing persons shall include corporations.
 - 1.4 The meaning of any words or phrases defined in the *Societies Act* shall, if not inconsistent with the subject context, bear the same meaning in these By-laws.
 - 1.5 The Rules of Construction contained in the *Interpretation Act* on the date these By-laws take effect shall apply, mutatis mutandis to the interpretation of these By-laws.

PART 2

MEMBERSHIP

2. MEMBERSHIP

- 2.1 The following persons shall become Members:
 - a) the MDA Holder;
 - b) the persons (the “Original Members”) who applied for incorporation of the SPMRA by signing the original of these By-laws sent to the Registrar for incorporation of the SPMRA;
 - c) each Owner of Resort Land; and
 - d) a person who:
 - i. owns or carries on business in the Controlled Recreation Area; or
 - ii. is an agent of an Owner of Resort Land;and who files with the SPMRA an application in such form as the Directors may from time to time prescribe together with evidence satisfactory to the Directors that they are the owner of a business on, or carries on business on, the Resort Land or is an agent of the Owner of Resort Land.
- 2.2 An owner of land that is not Resort Land but that is in the vicinity of the Resort Land may apply to become a Member by filing an application with the SPMRA in such form as the Directors may from time to time prescribe together with such evidence required by the Directors and upon acceptance by a majority of the Directors become a Member, and on becoming a Member, such owner’s land shall be deemed to be Resort Land.
- 2.3 Every Member shall pay the SPMRA annual membership dues in the amount specified in these By-laws, and shall otherwise comply with these By-laws.
- 2.4 The amount of the annual membership dues shall be as specified in Parts 19 and 20.
- 2.5 A person shall cease to be a Member:
 - a) when the Board notifies them in writing that they no longer meets the requirements for membership and is no longer a Member;

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- b) on the death of such Member or in the case of a corporation, on dissolution;
 - c) on being expelled pursuant to By-law 2.7; or
 - d) on having been a Member not in good standing for 12 consecutive months.
- 2.6 A Member may be expelled by a Special Resolution passed at a general meeting on the following conditions:
- a) the notice of Special Resolution for expulsion shall be accompanied by a brief statement of the reason for the proposed expulsion; and
 - b) the person who is the subject of the expulsion shall be given an opportunity to be heard at the general meeting before the Special Resolution is put to a vote.
- 2.7 All Members are in good standing except a Member who has failed to pay their current annual membership fees or any other subscription or debt due and owing by such member to the SPMRA and such Member is not in good standing so long as the debt remains unpaid.
- 2.8 All Members who own a Resort Lot, lease premises on a Resort Lot, or carry on business in the Controlled Recreation Area, will (either directly or through their agent) notify the SPMRA in writing (in the form attached as Schedule “C”) immediately after they sell a Resort Lot, their lease terminates or expires or otherwise becomes not effective, or they sell their business or otherwise cease to carry on a business in the Controlled Recreation Area.

PART 3

BORROWING POWERS

3. BORROWING POWERS

- 3.1 Without any way limiting the powers of the Directors contained in By-law 8.1, the Directors may from time to time on behalf of the SPMRA:
- a) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they deem necessary to carry out the objectives of the SPMRA;
 - b) issue bonds, debentures, notes and other debt obligations either outright or as a security for any liability or obligations of the SPMRA or any other person, but no bonds or debentures may be issued without the sanction of a Special Resolution;
 - c) mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets, of the SPMRA (both present and future); and
 - d) guarantee the repayment of any sum of money borrowed by any person or corporation and guarantee the performance of any obligation of any person or corporation and may secure the repayment of any sum of money or any obligations so guaranteed in any manner upon any terms and conditions as they may think fit including, without limitation, by the granting of any mortgages or other security on the property of the SPMRA.
- 3.2 Any bonds, debentures, notes or other debt obligations of the SPMRA may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing of or conversion into or exchange for other securities, attending and voting at general

meetings of the SPMRA, appointment of Directors or otherwise, and may by their terms be assignable free from any equities between the SPMRA and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

- 3.3 The SPMRA shall keep or cause to be kept within the Province of British Columbia a register of its debentures and a register of debenture holders, which registers may be combined, and may keep or cause to be kept one or more branch registers of its debenture holders at such place or places as the Directors may from time to time determine and the Directors may by resolution, regulations or otherwise make such provisions as they deem necessary for the keeping of such branch registers.
- 3.4 Every bond, debenture, note or other debt obligations of the SPMRA shall be signed manually by at least one Director or officer of the SPMRA or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture, note or debt obligation appointed by the SPMRA or under any instrument under which the bond, debenture, note or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture, note or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that they are stated on such bond, debenture, note or other debt obligation to hold at the date of the issue thereof.

PART 4

GENERAL MEETINGS

4. GENERAL MEETINGS

- 4.1 An annual general meeting of the SPMRA shall be held once in every calendar year at such time and place as may be determined by the Directors.
- 4.2 The Directors may, whenever they deem necessary, convene a general meeting. A general meeting, if requisitioned in accordance with the *Societies Act*, shall be convened by the Directors or, if not convened by the Directors, may be convened by the requisitionists as provided in the *Societies Act*.
- 4.3 A notice convening a general meeting specifying (i) the place, the day, and the hour of the meeting; (ii) the general nature of the business to be conducted at such meeting (iii) the text of any Special Resolution to be submitted to such meeting; and (iv) if the general meeting is an electronic meeting, instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting, shall be given as required pursuant to the *Societies Act* and in the manner hereinafter in these By-laws mentioned, to such persons as are entitled by law or under these By-laws to receive such notice from the SPMRA. Accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any Member shall not invalidate the proceedings at that meeting.
- 4.4 All the Members entitled to attend and vote at a general meeting may, by unanimous consent in writing given before, during or after the meeting, or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.
- 4.5 Attendance of a Member at a general meeting is a waiver of the Member's entitlement to notice of the meeting unless the Member attends the meeting for the express purpose of objecting to the

transaction of any business on the grounds that the meeting is not lawfully called.

- 4.6 Except as otherwise provided by the *Societies Act*, where any business at a general meeting includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by Members at the registered office, head office of the SPMRA or at such other place in British Columbia designated in the notice during usual business hours up to the date of such general meeting.
- 4.7 Meetings of Members may be held by conference telephone or any other communications medium whereby all the Members participating in the meeting can hear each other and make themselves heard. A Member participating in a meeting in accordance with this By-law 7.5 shall be deemed to be present at the meeting and to have so consented and shall be counted in the quorum for the meeting and shall be entitled to speak and vote at the meeting.

PART 5

PROCEEDINGS AT GENERAL MEETINGS

5. PROCEEDINGS AT GENERAL MEETINGS

- 5.1 No business, other than election of the chair of the meeting or the adjournment of the meeting, shall be transacted at any general meeting unless a quorum of Members, entitled to attend and vote, is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.
- 5.2 Save as herein otherwise provided, a quorum shall be 10 persons (or if there are less than 10 Members in total, 70% of the total membership) present and entitled to vote at a general meeting. The Directors and the solicitor of the SPMRA shall be entitled to attend any general meeting but no such person shall be counted in the quorum or be entitled to vote at any general meeting unless they are a Member or proxy holder entitled to vote thereat.
- 5.3 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a Member or Members entitled to attend and vote at the meeting shall be a quorum.
- 5.4 The Chair of the Board shall preside as chair at every general meeting. If the Chair of the Board is not present within 15 minutes of the time appointed for holding the general meeting or is not willing to act as chair of the general meeting, or if the Chair of the Board has advised the Board that they will not be present at the general meeting, the Vice-Chair of the Board shall preside as chair at the general meeting. If the Vice-Chair of the Board is not present within 15 minutes of the time appointed for holding the general meeting or is not willing to act as chair of the general meeting, or if the Vice-Chair of the Board has advised the Board that they will not be present at the general meeting, the Directors shall select from one of their number, to preside as chair of the general meeting. If none of the Directors are present within 15 minutes of the time appointed for holding the general meeting or is willing to act as chair of the general meeting, the Members present shall choose one of their number to be chair at the general meeting.
- 5.5 The chair of a general meeting may and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned

meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, 14 days' notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice to an adjourned meeting or of the business to be transacted at an adjourned meeting.

- 5.6 No motion proposed at a general meeting need be seconded and the chair of a general meeting may propose a motion.
- 5.7 Subject to the provisions of the *Societies Act* and these By-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is directed by the chair of the general meeting or demanded by at least one Member entitled to vote who is present in person or by proxy. The chair of a general meeting shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the book of proceedings of the SPMRA. A declaration by the chair of a general meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of proceedings of the SPMRA shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
- 5.8 In case of an equality of votes, whether on a show of hands or on a poll, the chair of the general meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.
- 5.9 No poll shall be demanded on the election of a chair of the general meeting. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken as soon as, in the opinion of the chair of the general meeting, is reasonably convenient, but in any event within 14 days and at such time and place and in such manner as the chair of the general meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. Any business other than that upon which the poll has been demanded may proceed pending the taking of the poll. A demand for a poll may be withdrawn. In any dispute as to the admission or rejection of a vote, the decision of the chair of the general meeting made in good faith shall be final and conclusive.
- 5.10 Unless the *Societies Act* or these By-laws otherwise provide, any action to be taken by a resolution of the Members may be taken by an Ordinary Resolution.

PART 6

VOTES OF MEMBERS

6. VOTES OF MEMBERS

- 6.1 Subject to the provisions set forth in these By-laws and the *Societies Act*, on a show of hands every Member present in person, by proxy or by authorized representative appointed pursuant to By-law 6.2 who is entitled to vote at a general meeting of the Members shall have one vote and on a poll, every Member entitled to vote on that poll shall have one vote, except that:
 - a) notwithstanding anything in these By-laws to the contrary, no Member who is not in good standing shall be entitled to vote at a general meeting; and
 - b) for the purpose of By-law 6.1, in the case of Members who are joint Owners of Resort Land, such Members shall collectively have only one vote arising out of their respective interests

in such Resort Land.

- 6.2 Any corporation, which is a Member, may by resolution of its Directors or other governing body authorize such person, as it thinks fit to act as its representative at any general meeting or class meeting. The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers that such corporation could exercise if it were an individual Member personally present, including, without limitation, the right, unless restricted by such resolution, to appoint a proxy holder to represent such corporation, and shall be counted for the purpose of forming a quorum if present at the meeting. Evidence of the appointment of any such representative may be sent to the SPMRA by written instrument, telegram, facsimile, or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a Member may appoint a proxy holder.
- 6.3 In the case of Members who are joint Owners of Resort Land, the vote of the person who exercises a vote, whether personally or by proxy holder, shall be accepted to the exclusion of the votes of the other Members who are joint Owners of that Resort Land; and for this purpose seniority shall be determined by the order in which the names stand in the register of Members. Several legal personal representatives of a deceased Member who is an Owner of Resort Land shall be deemed to be joint Owners of such Resort Land for the purpose of this By-law.
- 6.4 A Member of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, or by such Member's committee, curator bonus, or other person in the nature of a committee or curator bonus appointed by that court, or any such committee, curator bonus, or other person may appoint a proxy holder.
- 6.5 A Member is entitled to appoint one or more proxyholders to attend, act and vote for them at any meeting, which the Member is entitled to attend and vote as a Member. Such a Member shall specify the voting rights a proxyholder shall be entitled to exercise. The appointment of a proxyholder may be revoked by the appointing Member at any time in accordance with By-law 6.10. A proxy is automatically deemed to be revoked on the date that is one year subsequent to its date of execution by the appointing Member.
- 6.6 A proxy shall be in writing and executed by the appointor or by the appointor's attorney duly authorized in writing or, if the appointor is a corporation, executed by a duly authorized director, officer or attorney. A proxyholder need not be a Member.
- 6.7 A proxy shall be deposited (i) at the registered office of the SPMRA; or (ii) at such other place, or by email to the email address, specified for that purpose in the notice convening the meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) or such lesser period as the Directors may from time to time determine before the time for holding the meeting in respect of which the person named in the instrument is appointed. If the appointor of the form of proxy appoints by way of an attorney, then power of attorney under which the appointment has been made shall be deposited together with the proxy form.
- 6.8 Unless the *Societies Act* or any other statute or law which is applicable to the SPMRA requires any other form of proxy, a proxy, whether for a specified meeting or otherwise, shall be in the form following, but may also be in any other form that the Directors or the chair of the meeting shall approve.

PROXY

SUN PEAKS MOUNTAIN RESORT ASSOCIATION

The undersigned, being a member of the Sun Peaks Mountain Resort Association hereby appoints _____ or failing him, _____ as proxy holder of the undersigned to attend, act and vote for and on behalf of the undersigned at the general meeting of the SPMRA to be held on the day of _____, and at any adjournment thereof.

Signed the ____ day of _____, _____.

Signature of Member

- 6.9 A vote given in accordance with the terms of a proxy is valid notwithstanding the previous death or incapacity of the Member giving the proxy or the revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of the membership in respect of which the proxy was executed or the transfer of the membership in respect of which the proxy is given, provided that no notification in writing on such death, incapacity, revocation or transfer shall have been received at the registered office of the SPMRA or by the chair of the meeting or adjourned meeting for which the proxy was given before the vote is taken.
- 6.10 Every proxy may be revoked by an instrument in writing:
- a) executed by the Member giving the same or by such Member's attorney authorized in writing or, where the Member is a corporation, by a duly authorized officer or attorney of the corporation; and
 - b) delivered to the registered office of the SPMRA or to the general contact email address of the SPMRA at any time;
 - c) or in any other manner provided by law.
- 6.11 The Board may, for any particular meeting or resolution, permit Members to vote by mailing a ballot, by email or by other electronic means, and may set any procedures or deadlines necessary to facilitate such voting. When such a vote is authorized by the Board, the SPMRA must provide notice of such vote to the Members including the full text of the proposed resolution or election ballot to all Members entitled to vote thereon, instructions for submitting a valid vote, and the deadline by which votes must be received in order to be counted. Without limiting the generality of the foregoing: (i) if voting is to occur by mail, Members must complete and sign a paper ballot and return it to the SPMRA in accordance with the instructions, and the by the deadline, set out in the notice to be valid; (ii) if voting is to occur by email, Members must reply to the official voting email with a clear indication of their vote by the deadline set out in the notice to be valid. The email must originate from the Member's registered email address; and (iii) if voting is to occur by other electronic means, Members must follow the platform's instructions to securely cast their vote.

PART 7

DIRECTORS

7. DIRECTORS

- 7.1 Directors shall not be entitled to receive Director's fees or any other remuneration either for holding the office and discharging the duties of Director or any other services rendered in their capacity as Director. Directors shall be entitled to recover reasonable travelling, hotel and other expenses incurred in and about the business of the SPMRA provided however that:

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- a) all expenses for which any Director seeks remuneration must be approved in advance by the Board; and
 - b) expenses for which any Director receives remuneration shall be limited to actual out of pocket expenses documented by adequate receipts or other supporting documentation;

provided further however, that the Directors may in their sole discretion resolve to remunerate a Director for expenses which have not been approved in accordance with the By-law 7.1 a) above or which are not documented in accordance with By-law 7.1 b) above.

7.2 A Director shall not be required to be a Member. A Director must be qualified as required by or pursuant to the *Societies Act*, to become or act as a director.

7.3 Subject to By-law 7.3 d), the SPMRA shall have the following Directors who shall be elected or appointed in accordance with this Part 7:

- a) as long as the MDA Holder is not in default of its payment obligations to the SPMRA that may be due pursuant to By-law 18 or 19, the MDA Holder shall be entitled to appoint 3 Directors, provided that the tenure of any Director appointed by the MDA Holder pursuant to this By-law 7.3 a) shall terminate at the same time as the MDA Holder ceases for any reason whatsoever to be a Member or loses for any reason whatsoever the right to appoint a Director;
- b) the Members, as provided in By-laws 7.4 and 7.5, shall elect 7 Directors (the “Elected Directors”);
- c) the Board may from time to time permit any person to attend meetings of the Board or of the Executive Committee of the Board, to receive notices of such meetings and all materials distributed to Directors for the purposes of such meetings and to receive copies of all minutes of such meetings and of all resolutions of the Board of the Directors or the Executive Committee of the Board consented to in writing and to examine the financial statements and records of the SPMRA; and
- d) The Board, between annual general meetings of the Members, may appoint one additional Director, who shall hold office for a term expiring not later than the close of the next annual meeting of Members. The Board may, at any time, terminate the appointment of such additional Director by resolution of the Board.

7.4 The following definitions and criteria will apply to Part 7 of these By-laws:

- a) Subject to By-law 7.3 d), for the purpose of this Part 7 the following definitions shall apply:
 - i. a “Commercial/Tenant/Independent Operator Director” means a Director elected by the vote of all Members who:
 - (A) have a written lease agreement between the Member and the owner of a Commercial Resort Lot for a term of not less than one year for all or a portion of a Commercial Resort Lot and who are in possession of the premises under that lease agreement (herein called “Tenants”); or
 - (B) who own a Commercial Resort Lot; or
 - (C) who operate a business in the Controlled Recreation Area and are not otherwise entitled to vote for a Director (herein called “Independent

Operators”);

- ii. a “Hotel Lodging Director” means a Director elected by those Members who own a Hotel Lodging Resort Lot;
 - iii. a “Non-Hotel Lodging Director” means a Director elected by those Members who own a Non-Hotel Lodging Resort Lot;
 - iv. a “Residential Director” means a Director elected by those Members who own a Residential Resort Lot;
 - v. a “Single Owner Hotel Lodging Director” means a Director elected by those Members who own a Single Owner Hotel Lodging Resort Lot;
- b) For the purposes of voting for a Commercial/Tenant/Independent Operator Director, those Members who own a Commercial Resort Lot shall be entitled to a total of one vote only, regardless of the number of Tenants or Independent Operators in possession of the Commercial Resort Lot or a part thereof.
- c) If the MDA Holder is qualified under paragraph ii. to iv. inclusive of By-law 7.4 a), then it shall be entitled to vote for the class or classes of Directors for which it qualifies.
- d) Any dispute as to the qualifications of a Member to vote for any class of Director under paragraphs ii to iv inclusive by By-law 7.4 a), the voting entitlement of a Member under By-law 7.4 b), or the interpretation of any one or more of the definitions of Hotel, Non-Hotel Lodging, Single Owner Hotel Lodging, Hotel Lodging Resort Lot, Non-Hotel Lodging Resort Lot or Single Owner Hotel Lodging Resort Lot any of the defined terms in the By-law 7.4, shall be referred to the Directors who shall determine the issue. The Directors shall not be obligated to give reasons for their determination, which shall be binding upon the parties.

7.5 The Elected Directors shall be elected as follows:

- a) at each annual general meeting, the Members shall elect for a term of 2 years the number of Elected Directors and of the class respectively of those Elected Directors whose terms expire at each such annual general meeting as follows:
- i. 1 Residential Director whose term shall expire at the annual general meeting two years after the Director having been elected;
 - ii. 2 Non-Hotel Lodging Directors whose terms shall expire at the annual general meeting two years after the Directors having been elected;
 - iii. 2 Hotel Lodging Directors whose terms shall expire at the annual general meeting held two years after the Directors having been elected;
 - iv. 1 Commercial/Tenant/Independent Operator Director whose term shall expire at the annual general meeting held two years after the Director having been elected; and
 - v. 1 Single Owner Hotel Lodging Director whose term shall expire at the annual general meeting held two years after the Director having been elected.

7.6 A Director appointed by the MDA Holder shall remain a Director of the SPMRA until such time as the MDA Holder revokes such an appointment or such Director is otherwise disqualified.

7.7 The following provisions apply to Elected Directors:

- a) A retiring Director shall be eligible for re-election.
- b) Where the SPMRA fails to hold an annual general meeting in accordance with the *Societies Act*, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these By-laws and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.
- c) If at any general meeting at which there should be an election of Directors, the places of any of the retiring Directors are not filled by such election, the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors until further new Directors are elected at a general meeting convened for that purpose. If any such election or continuance of Directors results in the election or continuance of less than the number of Directors required to be elected such number shall be fixed at the number of Directors actually elected or continued in office. If in any election, at any such meeting, more nominees than there are vacancies on the Board, each receive an excess of affirmative over negative votes, there shall be elected as Directors those nominees having the largest number of affirmative votes sufficient to fill such vacancies.
- d) Pursuant to the *Societies Act*, the Directors may at any time and from time to time appoint a Member as a Director to fill a vacancy in the Directors. A Director so appointed holds office only until the conclusion of the next annual general meeting of the SPMRA, but is eligible for re-election at that meeting.
- e) The SPMRA may by Special Resolution remove any Director other than a Director appointed by the MDA Holder before the expiration of their period of office, and may by an Ordinary Resolution appoint another person in their stead to serve for the balance of the term of the removed Director.
- f) The provisions of the By-law 7.7 apply only to the Elected Directors.

7.8 Any Director who is not an Elected Director or the Chair of the Board may by instrument in writing delivered to the SPMRA appoint any person to be their alternate to act in their place at meetings of the Directors at which they are not present and, if such is not a Director, the Directors shall reasonably approve the appointment of such person as an alternate Director and shall have given notice to that effect to the Director making such appointment within a reasonable time after delivery of such instrument to the SPMRA. Every alternate Director shall be entitled to notice of every meeting at which the person appointing such alternate Director is not personally present and, if such alternate Director is a Director, to have a separate vote in addition to their own vote. A Director who is not an Elected Director or the Chair of the Board may at any time by instrument, telegram, facsimile or any method of transmitting legibly recorded messages delivered to the SPMRA revoke the appointment of an alternate Director appointed by such Director. An alternate Director as such shall not be entitled to any remuneration from the SPMRA.

7.9 The office of Director shall be vacated if the Director:

- a) resigns by notice in writing delivered to the registered office of the SPMRA; or
- b) is convicted within or without the Province of an offence in connection with the promotion, formation or management of a corporation or of an offence involving fraud; or

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- c) ceases to be qualified to act as a Director pursuant to the *Societies Act*; or
 - d) in the case of a Director appointed pursuant to By-law 7.3 d), is terminated by the Directors pursuant to By-law 7.3 d).

PART 8

POWERS AND DUTIES OF DIRECTORS

8. POWERS AND DUTIES OF DIRECTORS

- 8.1 The Directors shall manage, or supervise the management of, the affairs and business of the SPMRA and shall have the authority to exercise all such powers of the SPMRA as are not, by the *Societies Act* or by these By-laws, required to be exercised by the SPMRA in a general meeting, subject, nevertheless, to these By-laws and all laws affecting the SPMRA and to any regulations, not inconsistent with these By-laws, made from time to time by Ordinary Resolution, but no such regulation shall invalidate any prior valid act of the Directors.
- 8.2 The Directors may from time to time appoint any person to be the attorney of the SPMRA for such purposes, and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these By-laws and excepting the powers of the Directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers) and for such period, with such remuneration and subject to such conditions as the Directors may think fit, and any such appointment may be made in favour of any of the Directors, officers or Members or in favour of any corporation, firm or joint venture and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any attorney appointed under this By-law 8.2 may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in such attorney.

PART 9

DISCLOSURE OF INTEREST OF DIRECTORS

9. DISCLOSURE OF INTEREST OF DIRECTORS

- 9.1 A Director who has a direct or indirect material interest, that is known by the Director or reasonably ought out to have been known by the Director, in (i) an existing or proposed contract or transaction with the SPMRA; or (ii) a matter that is or is to be the subject of consideration by the Board, if that interest could result in the creation of a duty or interest that materially conflicts with that Director's duty or interest as a Director of the SPMRA, that Director shall declare the nature and extent of their interest in such contract, transaction or matter, as the case may be, in accordance with the provisions of the *Societies Act*.
- 9.2 Subject to the provisions of the *Societies Act*, no Director shall be disqualified by their office from holding any office or place of profit under the SPMRA or under any company in which the SPMRA shall be a shareholder or otherwise interested, or from contracting with the SPMRA either as vendor, lessor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the SPMRA in which any Director shall be in any way interested, either directly or as a shareholder or director of any company, be avoided, nor shall any Director be liable to account to the SPMRA for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only such Director holding that office or of the fiduciary relations thereby established. A Director shall be entitled to vote at any meeting of the Directors in respect to any contract or arrangement in which such Director is interested as

aforesaid, and shall be counted for the purpose of computing the quorum necessary for the transaction of the business at any such meeting notwithstanding their interest. A Director of the SPMRA may be or become a director of any company promoted by the SPMRA or in which it may be interested in as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a director or member of such company.

- 9.3 A Director may hold any office or place of profit with the SPMRA (other than the office of auditor of the SPMRA) for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and no Director or intended Director shall be disqualified by their office from contracting with the SPMRA either with regard to their tenure of any such other office or place of profit or as vendor, purchaser or otherwise and, subject to compliance with the provisions of the *Societies Act*, no contract or transaction entered into by or on behalf of the SPMRA in which a Director is in any way interested shall be liable to be voided by reason thereof.
- 9.4 Subject to compliance with the provisions of the *Societies Act*, a Director or any corporation or firm in which a Director has an interest may act in a professional capacity for the SPMRA (except as auditor of the SPMRA) and such Director or such corporation or firm shall be entitled to remuneration for professional services provided to the SPMRA.
- 9.5 A Director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the SPMRA may be interested as a shareholder or otherwise and, subject to compliance with the provisions of the *Societies Act*, such Director shall not be accountable to the SPMRA for any remuneration or other benefits received by the Director as a director, officer or employee of, or from the Director's interest in, such other corporation or firm.

PART 10

PROCEEDINGS OF DIRECTORS

10. PROCEEDINGS OF DIRECTORS

- 10.1 The Chair of the Board shall preside as chair at every meeting of the Directors, or if the Chair of the Board is not present within 15 minutes of the time appointed for holding the meeting or is not willing to act as chair or, if the Chair of the Board has advised the Board that they will not be present at the meeting, the Directors shall choose one of their number to be chair of the meeting.
- 10.2 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. No motion proposed at a meeting of the Directors need be seconded and the chair of the meeting may propose or second a motion. Each Director shall have one vote. Meetings of the Board held at regular intervals may be held at such place, as such time and upon such notice (if any) as the Board may by resolution from time to time determine.
- 10.3 Directors may hold a meeting of the Board or of any committee of the Directors by means of conference telephone or any other communications medium by means of which all Directors participating in the meeting can hear each other and provided that all such Directors agree to such participation. Such consent may be made generally or in respect of a particular meeting. Directors holding a meeting in accordance with this By-law shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefore and be entitled to speak and vote thereat.
- 10.4 A Director may call a meeting of the Board at any time. Reasonable notice of such meeting

specifying the place, day and hour of such meeting shall be given by mail, postage paid, addressed to each of the Directors and alternate Directors at their address as it appears on the books of the SPMRA or by leaving at their usual business or residential address or by telephone, telegram, facsimile, email or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director if such meeting is to be held immediately following a general meeting at which such Director shall have been elected or is the meeting of Directors at which such Director is appointed.

- 10.5 Any Director may file with the Board a document executed by such Director waiving notice of any past, present or future meeting or meetings of the Directors being, or required to have been, sent to such Director and may at any time withdraw such waiver with respect to meetings held thereafter. After filing such waiver with respect to future meetings and until such waiver is withdrawn no notice need to be given to such Director and, unless the Director otherwise requires in writing to the Board, to their alternate Director of any meeting of Directors and all meetings of the Directors so held shall be deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.
- 10.6 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not fixed shall be a 70% of the Directors then in office.
- 10.7 The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed pursuant to these By-laws as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number (provided always that the Directors shall not be authorized to appoint a Director who would otherwise be appointed by the MDA Holder), or of summoning a general meeting of the Members, but for no other purpose.
- 10.8 Subject to the provisions of the *Societies Act*, all acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or of the members of such committee or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.
- 10.9 A resolution consented to in writing, whether by document, telegram, facsimile, email or any method of transmitting legibly recorded messages or other means, by all Directors shall be as valid and effectual as if it had been passed at a meeting or the Directors duly called and held. Such resolution may be in two or more counterparts, which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Directors and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

PART 11

EXECUTIVE AND OTHER COMMITTEES

11. EXECUTIVE AND OTHER COMMITTEES

- 11.1 The Directors may by resolution appoint an Executive Committee to consist of such member or members of their body as they think fit, which committee shall have, and may exercise during the intervals between the meetings of the Board, all powers vested in the Board to ensure the organized and efficient operation of the SPMRA between meetings of the Board, except the power to fill vacancies in the Board, the power to change the membership of, or fill vacancies in, the Executive Committee or any other committee of the Board and such other powers, if any, as may be

specified in the resolution. Notwithstanding the foregoing, the Executive Committee does not have the authority to approve, and must present to the Board for approval all, matters of policy and all proposed financial commitments falling outside the day-to-day operations of the SPMRA. The Executive Committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such time as the Board may from time to time require. The Board shall have the power at any time to terminate the appointment or change the membership of such Committee and to fill vacancies in it. The Executive Committee may make rules for the conduct of its business and may appoint such assistants as it may deem necessary. A majority of the members of said Committee shall constitute a quorum thereof.

- 11.2 The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board (except the power to fill vacancies in the Board and the power to change the membership of or fill vacancies in any committee of the Board and the power to appoint or remove officers appointed by the Board) subject to such conditions as may be prescribed in such resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may from time to time require. The Directors shall also have power at any time to terminate the appointment or change the membership of a committee and to fill vacancies in it. Committees may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a committee shall constitute a quorum thereof. Notwithstanding the foregoing, no committee shall have the authority to approve matters of policy or proposed financial commitments falling outside the day-to-day operations of the SPMRA.
- 11.3 The Executive Committee and any other committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chair of the meeting shall not have a second or casting vote. A resolution approved in writing by all the members of the Executive Committee or any other committee shall be as valid and effective as if it had been passed at a meeting of such Committee duly called and constituted. Such resolution may be in two or more counterparts, which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

PART 12

OFFICERS

12. OFFICERS

- 12.1 From time to time, the Board shall appoint or elect the officers of the SPMRA and specify their duties. The term of office for each officer shall be one year. Officers shall retire from office at the expiration of their term of office when their successors have been elected or appointed at the first meeting of the directors held following the annual general meeting of the members of the SPMRA. If no successor is elected or appointed, then the person previously elected or appointed as an officer of the SPMRA shall continue to hold office, unless the person resigns or is otherwise removed from office.
- 12.2 Every officer of the SPMRA who holds any office or possesses any property whereby, whether directly or indirectly, duties or interest might be created in conflict with their duties or interests as an officer of the SPMRA shall, in writing, disclose to the Board the fact and the nature, character extent of the conflict.

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- 12.3 An officer shall automatically be terminated if any of the following events occur:
- a) the officer's term of office expires;
 - b) the officer is removed from office in accordance with By-law 12.4
 - c) the officer resigns by notice in writing to SPMRA. Any such resignation shall be effective at the time it is received by SPMRA or at the time specified in the notice, whichever is later.
- 12.4 The Board may, by resolution, remove any officer before the expiration of their term of office.
- 12.5 The Directors may at any time and from time to time appoint a qualified person to act as an officer to fill a vacancy. An officer so appointed holds office only until the first meeting of the Directors held following the next annual general meeting of the Members but is eligible for re election by the Directors.
- 12.6 The Board may appoint one or more senior managers of the SPMRA to exercise the Directors' authority to manage the activities or internal affairs of the SPMRA as a whole or in respect of a principal unit of the SPMRA. The Board may at any time by resolution remove any senior manager.
- 12.7 From time to time the Board may vary, add to or limit the powers and duties of any officer or senior manager.

PART 13

INDEMNITY AND PROTECTION OF DIRECTORS, OFFICERS AND EMPLOYEES

13. INDEMNITY AND PROTECTION OF DIRECTORS, OFFICERS AND EMPLOYEES

- 13.1 In this Part 13:
- a) **“eligible party”** means, in relation to the SPMRA, an individual who is or was a Director, officer or senior manager of the SPMRA or who holds or held an equivalent position in a subsidiary of the SPMRA;
 - b) **“eligible proceeding”** means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which an eligible party or a representative of the eligible party, by reason of the eligible party being or having been a Director or senior manager of the SPMRA, or holding or having held an equivalent position in a subsidiary of the SPMRA,
 - i. is or may be joined as a party, or
 - ii. is or may be liable for or in respect of a penalty in, or expenses related to, the legal proceeding or investigative action;
 - c) **“expenses”** includes costs, charges and expenses, including legal and other fees, but does not include penalties;
 - d) **“penalty”** means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding; and

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- e) “**representative**” in relation to an eligible party, means an heir or Personal or other legal representative of the eligible party.

- 13.2 To the extent the SPMRA is not so prohibited by the Societies Act, the SPMRA shall indemnify each eligible party or a representative of the eligible party against all penalties to which the eligible party or the representative is or may be liable in respect of an eligible proceeding and the SPMRA must after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party or a representative of the eligible party in respect of the eligible proceeding.
- 13.3 Subject to the Societies Act, the SPMRA shall purchase and maintain insurance for the benefit of an eligible party or a representative of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a Director, officer or senior manager of the SPMRA or holding or having held an equivalent position in a subsidiary of the SPMRA.

PART 14

DOCUMENTS, RECORDS AND REPORTS

14. DOCUMENTS, RECORDS AND REPORTS

- 14.1 The SPMRA shall keep at its head office or at such other place as the *Societies Act* may permit, the documents, copies, registers, minutes, and records, which the SPMRA is required by the *Societies Act* to keep at its head office or such other place, as the case may be.
- 14.2 The SPMRA shall cause to be kept proper books of account and accounting record in respect of all financial and other transactions of the SPMRA in order to properly record the financial affairs and conditions of the SPMRA and to comply with the *Societies Act*.
- 14.3 Upon a request to, and with the approval of the Board, a Member shall be entitled to inspect the accounting records of the SPMRA.
- 14.4 The Directors shall from time to time at the expense of the SPMRA cause to be prepared and laid before the SPMRA in a general meeting such financial statements and reports as are required by regulations under the *Societies Act* and all other applicable laws.
- 14.5 Every Member shall be entitled to be furnished once gratis on demand with a copy of the latest annual financial statement of the SPMRA and, if so required by the *Societies Act*, a copy of each such annual financial statement shall be mailed to each Member.

PART 15

NOTICES

15. NOTICES

- 15.1 A notice, statement or report may be given or delivered by the SPMRA to any Member either by delivery to such Member personally or by sending it by mail to such Member’s address as recorded in the register of Members, or by such other means as the SPMRA may stipulate from time to time which are permitted under the *Societies Act* (which means may include, without limitation, facsimile, electronic transmission, email, and posting in one or more newspapers determined by the Board). Where a notice, statement or report is sent by mail, service or delivery of the notice,

the statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report and to have been given on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Where a notice, statement or report shall be deemed to be effected by the manner stipulated by the Member in the aforesaid notice and to have been given on the day, Saturdays, Sunday and statutory holidays excepted, following the date of transmission. A certificate signed by an officer of the SPMRA or any Director, or agent acting in that behalf for the SPMRA, that the letter, envelope or wrapper containing the notice, statement or report was so addressed prepaid and mailed shall be conclusive evidence thereof.

- 15.2 A notice, statement or report may be given or delivered by the SPMRA to the joint owners of a Resort Lot by giving the notice to the joint owner first named in the register of Members in respect of the Resort Lot.
- 15.3 A notice, statement or report may be given or delivered by the SPMRA to the persons entitled to a membership in consequence of the death, bankruptcy or incapacity of a Member by sending it through the mail prepaid addressed to them by name or by the title of representatives of the deceased or incapacitated and person or trustee of the bankrupt, or by any like description, to the address (if any) supplied to the SPMRA for the purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given if the death, bankruptcy or incapacity had not occurred.
- 15.4 Notice of every general meeting or meeting of Members of a specific class shall be given in a manner hereinbefore authorized to every person being a Member at the time of the issue of the notice or the date fixed for determining the Members entitled to such notice, whichever is the earlier. No other person except the auditor of the SPMRA and the Directors of the SPMRA shall be entitled to receive notices of any such meeting.

PART 16

RECORD DATES

16. RECORD DATES

- 16.1 The Directors may fix in advance a date, which shall not be more than 49 days preceding the date of any meeting of Members or any class thereof or of the proposed taking of any other proper action requiring the determination of Members as the record date for the determination of the Members entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these By-laws. Only Members of record on the date so fixed shall be deemed to be Members for the purposes aforesaid.
- 16.2 Where no record date is so fixed for the determination of Members as provided in the preceding By-law the date on which the notice is mailed shall be the record date for such determination.

PART 17

AMENDMENT OF BY-LAWS

17. AMENDMENT OF BY-LAWS

- 17.1 Subject to By-law 17.2, these By-laws may only be added to, amended or repealed by a Special Resolution and in accordance with the *Societies Act*.
- 17.2 These By-laws, if they relate solely to a particular Cost Centre, may be amended by a Special

Resolution, provided that two-thirds (2/3) of those Members who pay assessments in respect of that particular Cost Centre have approved the amendment.

PART 18

ASSESSMENTS PAYABLE BY MDA HOLDER

18. ASSESSMENTS PAYABLE BY MDA HOLDER

- 18.1 Notwithstanding anything contained in these By-laws to the contrary, except for By-law 19.2, the total assessment the MDA Holder shall be required to pay to the SPMRA during each fiscal year of the SPMRA is an amount equal to the greater of (i) \$300,000; or (ii) thirty-five percent (35%) of the total revenues of the SPMRA, excluding Member assessment revenue, less total expenses set out in the SPMRA budget for such fiscal year that has been approved by the Board up to a maximum amount of \$825,000 (“**MDA Holder Fee**”).
- 18.2 If the total amount paid by the MDA Holder in a fiscal year of the SPMRA exceeds the MDA Holder Fee, the excess shall be remitted by the SPMRA to the MDA Holder not later than 30 days after the end of the each such fiscal year.
- 18.3 The Directors may determine the portion of the MDA Holder Fee that will be allocated to the Common Cost Centre (“**MDA Holder Common Cost Portion**”) and the Business Cost Centre (“**MDA Holder Business Cost Portion**”).
- 18.4 The MDA Holder Fee shall be assessed, levied and paid to the SPMRA by the MDA Holder in twelve equal monthly installments for each fiscal year of the SPMRA, commencing in the first month of the fiscal year ending in 2026.

PART 19

COST CENTRES AND ASSESSMENTS PAYABLE BY MEMBERS

19. COST CENTRES AND ASSESSMENTS PAYABLE BY MEMBERS

- 19.1 The SPMRA cost centres shall be set up as follows:
 - a) The SPMRA shall have two Cost Centres: the Common Cost Centre and the Business Cost Centre.
 - b) The Business Cost Centre shall have allocated to it all costs and expenses incurred by the SPMRA in promoting, facilitating and encouraging the development, maintenance and operation of the Sun Peaks resort promotion area, as determined by the Board (collectively, the “**Business Functions**”). The Business Functions may include, without limitation, costs and expenses in connection with the provision of central reservations and information services, marketing, central billing, recreation in the Village; special events, transportation, animation, and employee training, operation of any conference centre, and all reserves and accrued interest thereon related to the operation of any conference centre
 - c) The Common Cost Centre shall have allocated to it overhead costs and expenses incurred by the SPMRA that are not directly attributable to the Business Functions, as determined by the Board.
 - d) The Board shall not later than thirty (30) days prior to completion of each fiscal year cause to be prepared and shall approve a budget for the next fiscal year which shall set forth the

anticipated income and expenses (including a reasonable allowance for contingencies) of the SPMRA and the amounts anticipated to be allocated to each Cost Centre. The said budget shall be placed before the next Annual General Meeting of the SPMRA together with the financial statements of the SPMRA as required pursuant to the *Societies Act*.

- e) The SPMRA shall raise the amounts allocated or anticipated to be allocated to the:
- i. Common Cost Centre by levying an annual assessment of fifty (\$50) dollars against each of its Members who is not an Owner of Resort Land (the total of which assessment is hereafter to be called the “Annual Fees”) and an annual assessment to be not less than fifty (\$50) dollars against each of its Members who is an Owner of one or more Resort Lots calculated in accordance with the following formula:

Unit Value of Member’s Resort Lots		Total of all amounts to the Common Cost Centre less the aggregate of all Annual Fees, Tenant/Independent Fees and the MDA Holder’s Common Cost Portion
	X	
<hr/>		
Total of Unit Value of all Operator Resort Lots		

- ii. Business Cost Centre by levying an annual assessment against each of its Members who is an Owner of Resort Land, who if an election were then held for a Hotel Lodging Director, Single Owner Hotel Lodging Director, Commercial/Tenant/Independent Operator Director, Non-Hotel Lodging Director, would be entitled to vote thereat (the Hotel Lodging Resort Lots, Non-Hotel Lodging Resort Lots, of all such Members are hereinafter called “Business Cost Centre Resorts Lots”) calculated as follows:

Unit Value of Member’s Business Cost Centre Resort Lots		Total of all amounts allocated to the Business Cost Centre less the MDA Holder’s
	X	
<hr/>		
Total of all the Unit Value of all Business cost Centre Resort Lots		Business Cost Portion

- iii. Common Cost Centre by levying an assessment against each Independent Operator and Tenant in an annual amount equal to: \$150 plus an annual amount equal to \$150 multiplied by the cumulative annual change in consumer prices, expressed as a percentage, for the period beginning in December 1994 and ending in December of the current year; such percentage to be based on the All Items Consumer Price Index for British Columbia, and if such consumer price index is discontinued the change in consumer prices, as determined by the Directors (the “Tenant/Independent Operator Fees”).
- f) All assessments to be levied pursuant to By-law 19.1 e) shall be levied quarterly or at such other time as the Directors may decide and shall be payable within thirty (30) day after being levied. Late payments will be assessed interest at the rate determined by the Board.

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- g) Any Member against whom an assessment is levied or is levied pursuant to By-law 19.1e) in respect of any Cost Centre shall be a Member of that particular Cost Centre and shall remain a Member thereof for as long as such an assessment is leviable against them.
 - h) The Directors may from time to time create new Cost Centres by Special Resolution provided that they obtain the approval of two-thirds of those Members who would become Members of the Cost Centre immediately after its creation and once any such Cost Centre has been established the provisions of this By-law 19.1 shall apply thereto *mutatis mutandis*.
 - i) For the purposes of this By-law 19.1 for the period starting on the date an improvement is substantially complete on a Resort Lot and ending on the day after the improvement ceases to exist, the Resort Lot shall have a unit value (“Unit Value”) calculated as follows:
 - i. in calculating assessments for the Common Cost Centre each bedroom in a Hotel and Non-Hotel Lodging including rooms used for employee housing shall have two (2) units;
 - ii. in calculating the assessments for the Business Cost Centre each bedroom in a Hotel and Non-Hotel Lodging which is not used for employee housing shall have two (2) units;
 - iii. a “dwelling unit” (which for the purposes of this paragraph iii. shall mean one or more rooms used or intended to be used for domestic purposes) shall have two (2) units for each bedroom contained therein and a dwelling unit which does not contain a separate bedroom or sleeping room shall have two units; except a dwelling unit on a Resort Lot shall have a maximum of six (6) units if it does not contain an auxiliary residential dwelling unit, and a maximum of eight (8) units if it contains an auxiliary residential dwelling unit. An auxiliary residential dwelling unit on a Residential Resort Lot that is rented on a continuous basis to a full time employee of a SPMRA Member will be deemed not to be included in calculating assessment.
 - iv. the unit value for a Resort Lot containing commercial space (except office space and restaurant space) shall be equal to the total floor space (measured in square meters) divided by seven and one-half (7-1/2); provided however that corridors, stairways, meeting rooms, kitchen, laundry and utility rooms, hotel reception areas, washrooms, storage areas and other similar areas shall not be considered as commercial space. The unit value for Office space and restaurant space will be calculated as other commercial space, except the total floor space will be divided by fifteen (15);
 - v. for the purpose of i., ii. and iii.:
 - (A) a loft which is enclosed or is capable of being substantially enclosed by screens, dividers or curtains or any combination thereof which contains a bed or beds or any furniture capable of being converted into a bed or beds shall have one unit;
 - (B) a loft which is open and cannot be enclosed by screens, dividers or curtains or any combination thereof which contains or has contained a bed or beds or any furniture capable of being converted into a bed or beds shall have one unit;
 - (C) any room in a hotel that contains a bed or beds or any furniture capable of

being converted into a bed or beds shall be deemed to be a bedroom; and

- vi. the assessment payable under Part 20 shall be allocated to each Cost Centre proportionately to the total of all costs and expenses for all Cost Centres.

- 19.2 Notwithstanding anything in these By-laws to the contrary the MDA Holder, in addition to assessments payable by it under Part 19, shall be obligated to pay assessments to the SPMRA for facilities and businesses owned or operated by it on Resort Land which is either a Commercial Resort Lot, Hotel Lodging Resort Lot or a Non-Hotel Lodging Resort Lot, except that it shall not be obligated to pay assessments for facilities and businesses owned or operated by it on Resort Land if such facilities or business are related to the operation and administration of its ski lifts, ski patrol, ski schools, ski equipment sales or rental facilities, employee housing, administration offices, maintenance buildings, chapels, helicopter stations, medical clinics or facilities, ski clubs facilities or food and beverage operations in ski day lodges, and all facilities within buildings which are within 75 meters of any lift owned or operated by the MDA Holder.

PART 20

WINDING UP

20. WINDING UP

- 20.1 Subject to requirements specified in the Societies Act, the Members may wind up the SPMRA by Special Resolution or may amalgamate the SPMRA with one or more other societies created under the *Societies Act* or other relevant legislation.

PART 21

DISTRIBUTION OF ASSETS ON WINDING UP

21. DISTRIBUTION OF ASSETS ON WINDING UP

- 21.1 Upon winding up of the SPMRA, after all debts of the SPMRA are paid, the remaining assets of the SPMRA shall, in the absence of a Special Resolution to the contrary, be paid to the entity that is responsible for the promoting, facilitating and encouraging the development, maintenance and operation of the Sun Peaks resort promotion area after the SPMRA is wound up.



**SUN PEAKS
RESORT**

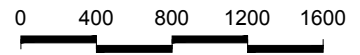


ecosign
Mountain Resort Planners Ltd.







Contours: 5 Metres

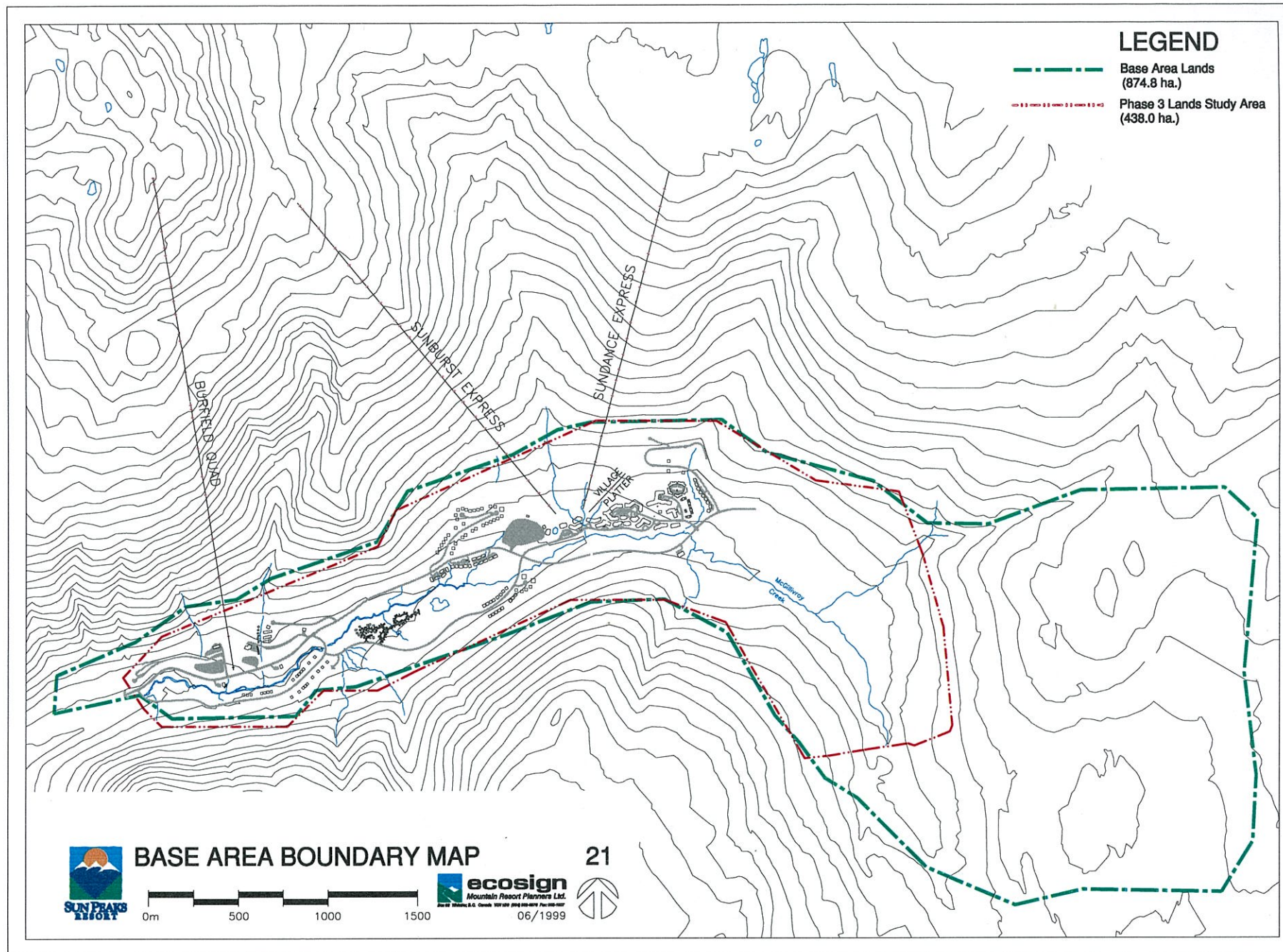
Date: 11/2018



LEGEND

-  Sun Peaks Mountain Resort Municipality Boundary and Controlled Recreation Area (4,140.0 ha.)
-  Ski Area Operational Boundary (1,702.7 ha.)
-  Resort Land Boundary (867.3 ha.)
-  Resort Land Exclusions (7.6 ha.)

SCHEDULE B



SCHEDULE C FORM OF NOTICE

TO: Sun Peaks Mountain Resort Association

FROM: _____

(Name & address of Member)

RE:

(Legal description & residential address of Resort Lot)

THIS IS TO NOTIFY YOU, I no longer own or lease the above-noted Resort Lot, nor do I carry on business at the Resort Lot. The rights to own/lease/carry on business at the Resort Lot are now owned by:

(Name & address of new Resort Lot owner/tenant/business)

Dated: _____ at _____

By: _____
(Signature of Member)