

BY-LAW NO. 1

A By-law relating to the conduct of the affairs of

CARLTON VINE CO-OPERATIVE HOMES INC.

(herein called the "Co-op").

WHEREAS the Co-op has been formed for the purpose of providing residential accommodation to its members on a non-profit basis;

AND WHEREAS it is desired to empower the Board of Directors to transact the affairs of the Co-op until such time as the Co-op's permanent by-laws are considered and adopted.

1. **BOARD OF DIRECTORS**

The Board shall consist of 5 directors. The Board of Directors shall conduct and manage the affairs of the Co-op and except where the Co-operative Corporations Act (the "Act") otherwise provides, the directors may, by resolution passed at a meeting of the Board, approve or provide for any act which can be done by the Co-op and authorize any commitment, contract or other obligation on the part of the Co-op.

2. **POWERS OF DIRECTORS**

Without limiting the generality of paragraph 1, the directors shall have the following specific powers:

- (a) The directors may admit such persons as they deem fit to membership in the Co-op.
- (b) The directors may authorize the acquisition by the Co-op of real and personal property.
- (c) The directors may retain or employ on behalf of the Co-op consultants, project managers, accountants, lawyers, employees and other persons on such terms as they may deem fit.

- (d) The directors may enter into any contracts on behalf of the Co-op relating to the construction or improvement of housing.
- (e) The directors may borrow money upon the credit of the Co-op by obtaining loans or advances or otherwise, whether secured or unsecured, on such terms as they may deem fit.
- (f) The directors may assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner upon all or any of the real or personal, moveable or immovable property, rights, powers, choices in action, or other assets, present or future, of the Co-op to secure any money borrowed or to be borrowed or any obligations or liabilities of the Co-op now or hereafter made or incurred.
- (g) The directors may apply for and obtain start-up grants, apply for the issuance of undertakings to insure, enter into agreements to receive subsidies and operating agreements, or any other agreements which they may deem appropriate.
- (h) The directors may do all acts and things, execute all documents and make all commitments necessary or appropriate for the purposes of any of the foregoing.

3. MEETINGS

Meetings of the directors and the members shall be held at any place within the region of Niagara as the Board may deem fit and may be called by any director. The quorum shall be three fifths of the directors or members respectively. At least three days notice of each directors' meeting shall be given by telephone or by leaving written notice at a directors' place of residence, except in case of emergency where a quorum of directors consents to holding the meeting with a lesser notice.

4. OFFICERS

The directors shall elect from among their number a president, vice-president, secretary and treasurer.

5. REMUNERATION

The officers and directors shall serve as such without remuneration but shall be reimbursed for any reasonable duly authorized out-of-pocket expenses incurred in carrying out the business of the Co-op.


6. FISCAL YEAR

The fiscal year of the Co-op shall commence on the date deemed to be the Interest Adjustment Date during construction.

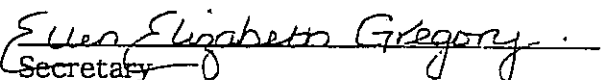
7. EXECUTION OF DOCUMENTS

Any cheques, notes, bills of exchange, agreements, contracts, agreements of purchase and sale or assignments thereof, deeds, transfers, mortgages, chattel mortgages, assignments of rent, and all and any other documents which the Co-op is empowered to enter into or execute may be executed on behalf of the Co-op by any two of the directors and officers, or by any other persons authorized by resolution of the Board, who may affix the corporate seal thereto. Any persons signing such documents shall satisfy themselves as to the contents thereof, and may approve the particulars and contents thereof within the limits of any authorizing resolution. The signature of any document in the manner set out in this paragraph shall be deemed in favour of third parties to be conclusive evidence that the execution and delivery of such document was duly authorized by the Co-op. Notwithstanding the foregoing, no director or officer shall execute any such document unless such execution has been properly authorized.


PASSED by the Board of Directors and sealed with the corporate seal of Carlton Vine Co-operative Homes Inc. this 26th day of March, 1991.


President

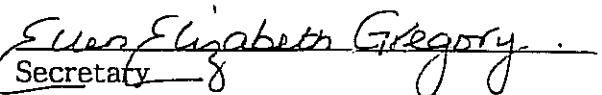
c/s


Secretary

CONFIRMED by two-thirds of the votes cast at a general meeting of members of Carlton Vine Co-operative Homes Inc. this 26th day of March, 1991.


President

c/s


Secretary