



STAFF REPORT ACTION REQUIRED

Implementation: New Model to Enhance Toronto's Economic Competitiveness

Date:	January 19, 2009
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

This report updates Council on the overall progress to date of the implementation of the New Model to Enhance Toronto's Economic Competitiveness.

Four specific implementation requirements are addressed as follows:

1. remuneration for citizen members of Build Toronto and Invest Toronto boards;
2. an asset transfer policy required by Ontario Regulation 609/06 to be in place before any lands can be transferred to Build Toronto by the City;
3. a resolution to support the proposal by the Toronto Business Development Centre (a small business incubator) that it no longer be considered or act as an agent or representative of the City, to be consistent with the City's relationship with other incubators; and
4. presentation of operating by-laws adopted by the boards of directors of Build Toronto Inc., Invest Toronto Inc. and TEDCO for Council/shareholder approval as required by the *Ontario Business Corporations Act*.

RECOMMENDATIONS

The City Manager recommends that:

Board Remuneration

1. the recommended rates of remuneration for citizen appointees to the Boards of Directors of Build Toronto and Invest Toronto include attendance at board and committee meetings and service on any subsidiary or associated board;
2. with respect to Build Toronto, the following annual remuneration be set:
 - a. citizen board members: an annual retainer of \$5,000 plus a per meeting fee of \$500 with a cap on total annual remuneration of \$15,000;
 - b. citizen Vice-Chair (while Mayor is Chair): an annual retainer of \$30,000 (with no meeting fee) in recognition that this Vice-Chair will be required to take on additional duties to support the Mayor in his role as Chair;
 - c. once a citizen assumes the Chair: the remuneration for a citizen Vice-Chair (if a citizen is Chair) will be set at the same rate as a citizen board member; and
 - d. citizen Chair: an annual retainer of \$40,000 (with no meeting fee) in recognition of the time demands for client and stakeholder contacts beyond formal board meetings;
3. with respect to Invest Toronto, the following annual remuneration be set:
 - a. citizen board members: no remuneration be paid recognizing that while the City will benefit from the expertise and contributions of these members, the members and their respective sectors may also benefit through new business contacts and opportunities; and
 - b. citizen Vice-Chair (Mayor is Chair): an annual retainer of \$15,000 (with no meeting fee) in recognition of the additional duties that would be required to support the Mayor in his role as Chair.

Policy With Respect to the Transfer of Assets to Corporations

4. Council adopt, as the City's policy with respect to the transfer of assets by the City to corporations, as required by Section 7 of Ontario Regulation 609/06, the proposed By-law attached as Appendix "A";
5. authority be granted for the introduction in Council of any bills necessary to implement the foregoing;

Toronto Business Development Centre

6. The General Manager of Economic Development, Culture and Tourism and the City Solicitor be authorized to take any action that he or she determines is necessary and appropriate to remove any provisions or statements that provide, state or suggest that Toronto Business Development Centre, a non-share corporation, is an agent or a representative of the City; and

Corporate Operating By-Laws

7. Council approves By-Law Number 1 of City of Toronto Economic Development Corporation and new by-laws for each of Build Toronto Inc. and Invest Toronto Inc. as attached in Appendix B, C and D.

Financial Impact

With regard to board remuneration, there is no financial impact on the City since remuneration is paid by the corporations.

Estimated initial total maximum citizen remuneration for each board:

Board (While Citizen Vice-Chair and Mayor is Chair)	Estimated Total Annual Maximum (1st Year)
Build Toronto (total for all citizen appointees)	\$120,000
Invest Toronto (citizen Vice-Chair only)	\$ 15,000

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Statement

With regard to board remuneration, the proposed remuneration rates take into account the City's Remuneration Policy, which was developed with equity principles in mind.

DECISION HISTORY

In October 2008, Council approved a New Model to Enhance Toronto's Economic Competitiveness and established two new corporation, Invest Toronto and Build Toronto, in addition to amending the mandates of Economic Development, Culture and Tourism (EDCT) and Facilities and Real Estate (FRED) and instituting a centralized real estate strategy that includes all City land holdings including those managed or owned by City Agencies, Boards, and Commissions (ABCs) such as the TTC.

<http://www.toronto.ca/legdocs/mmis/2008/ex/reports/2008-10-06-ex24-cr.pdf>

Board Remuneration

City Council also directed that the Remuneration Policy and the Expense Reimbursement Policy for City Agencies, Boards, Commissions and Corporations (ABCCs) apply to Build Toronto and Invest Toronto and the City Manager recommend remuneration rates for these boards for City Council approval.

The Remuneration Policy and the Expense Reimbursement Policy for City ABCCs were both approved by City Council at its meeting held on January 31, February 1 and 2, 2006.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060131/pof1rpt/cl002.pdf>

Toronto Business Development Centre

The Toronto Business Development Centre (TBDC) was established as a multi-purpose business incubator in August 1990. In its articles of incorporation, TBDC (formerly Toronto New Business Development Centre) is authorized to act as agent and representative of the City for the purpose of providing or participating in programs and services which assist, encourage and support the establishment and growth of small businesses. TBDC currently has a Board of Directors that includes one City Council Member. City Council transferred responsibility for supporting incubators, including TBDC, from TEDCO to EDCT when it approved the New Model to Enhance Toronto's Economic Competitiveness.

ISSUE BACKGROUND

Council approved the New Model to Enhance Economic Competitiveness, and in doing so, approved two new corporations, Build Toronto and Invest Toronto. It was determined that an Ontario Business Act corporation was the most desirable arm's length organizational structure to achieve the City's goals in advancing Toronto's broad economic agenda and enabling the City to unlock the value of City and ABCC real estate holdings.

“Invest Toronto” will engage the private sector in promoting Toronto as an investment opportunity through marketing, conducting trade missions, and coordinating with other governments and business.

“Build Toronto” will engage private and public sector partners in the development of under-utilized City real estate to unlock the value of those lands, stimulate the creation of desirable jobs, and regenerate neighbourhoods, in a manner consistent with the City’s broader economic, social and environmental goals.

Development revenues will either be used by Build Toronto to fund additional projects that further the City’s agenda or will come back to the City through various forms of revenue sharing from development projects or through payment of dividends, both of which will be used for City purposes. The activities of both corporations will lead to an increased tax base. City Staff are working to ensure that both corporations will be closely aligned with the City’s policy objectives, but will be able to implement plans on an independent basis.

Board Remuneration

Setting up operations for the two new corporations includes the appointment of citizen members of the two Boards of Directors. A necessary step before appointing members is to set the remuneration for citizen members.

The City’s Remuneration Policy is based on a number of key principles including a strong element of public service in any citizen appointment. Payments are not intended to be equal to the value of services rendered, nor are they intended to be competitive with the appointee’s usual occupational compensation.

In accordance with the Policy, Members of Council and City officials do not receive additional remuneration beyond their salaries for serving on a City ABCC. Any reimbursement of expenses paid is made in accordance with Council policy and relevant statutory requirements. The total amounts paid are reported to Council on an annual basis by the Treasurer, as required by section 223 of the *City of Toronto Act*.

Policy With Respect to the Transfer of Assets to Corporations

Build Toronto is a “City Services Corporation” established by the City pursuant to S.148 of the *City of Toronto Act, 2006* and Ontario Regulation 609/06 (the “City Services Corporations Regulation”).

Build Toronto’s mandate is to develop under-utilized real estate holdings. It is intended that the City and certain land-owning ABC’s will transfer lands or otherwise turn lands over to Build Toronto for development purposes through land turnover and transfer agreements. Section 7 of Ontario Regulation 609/06 under the *City of Toronto Act, 2006* requires the City adopt policies on asset transfers from the City to any City Services Corporations prior to transferring any City assets to the Corporation. The enactment of a By-law in the form attached as Appendix “A” to this Report will satisfy this requirement.

Toronto Business Development Centre

TBDC has been recognized nationally and internationally for its achievements in helping entrepreneurs succeed and as a model for successful business incubation. However, the organization's status as an agency of the City is encumbering its ability to leverage funds from other sources to ensure long term fiscal sustainability. This is of particular concern on three fronts.

- Legislation – Under the *City of Toronto Act, 2006*, an agency of the City is prohibited from taking an equity position in its client's business. This is a lost opportunity for TBDC.
- Private Sector – The board and staff of TBDC have advised the City that the existence or apparent existence of an agency relationship between TBDC and the City hampers the TBDC's ability to leverage funding from the private sector. The board has determined that although many corporations may be interested in supporting small business development (office suppliers, financial institutions / professional services corporations), they are less interested in providing financial support to a City agency.
- NGO's - With a City agency status, the TBDC does not satisfy NGO and foundations' eligibility criteria for capital and operating funding support.

Given these restrictions, the TBDC Board of Directors passed a motion at its meeting of December, 2007 to have its articles of incorporation amended to remove the provision that TBDC is a City agency. TBDC has requested City staff to take the necessary actions to make this amendment. It has advised that this amendment will put the TBDC on the same footing as other business incubators funded by the City, specifically, the Toronto Fashion Incubator and the Toronto Food Business Incubator, which have successfully leveraged funds from the public and private sectors.

TBDC has provided assistance to thousands of entrepreneurs over the past 18 years. Their continued success will depend upon their ability to create a "value proposition" that is relevant and current to the marketplace and a funding model that provides the flexibility to leverage funds from a broad range of public and private sector sources.

EDCT is supportive of this proposed action.

COMMENTS

A. Implementation of New Model to Enhance Toronto Economic Competitiveness:

The Interim Boards and staff have made significant progress to date implementing the New Model to Enhance Toronto's Economic Competitiveness. The following is an outline of the progress of the implementation activities to date.

Governance:

1. As authorized by Council, the City Solicitor filed Articles of Incorporation establishing the two new corporations - Build Toronto and Invest Toronto on November 13, 2008.
2. As of the date of incorporation, Council appointed the Deputy Mayor, the Chair of the Economic Development Committee, the City Manager, the Deputy City Manager, the City Chief Financial Officer (CFO), and the City Chief Corporate Officer (CCO) as the initial interim directors of both the Build Toronto and Invest Toronto boards, as well as the TEDCO Board until the new boards are appointed by Council. The interim boards have appointed an acting Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Solicitor. The boards have also prepared a preliminary budget.
3. The interim boards of Build Toronto, Invest Toronto and TEDCO have adopted operating by-laws which are attached as Appendices B, C and D to this report, for Council approval as required under the *Ontario Business Corporations Act*.
4. The Mayor established a Corporations Nominating Panel to recruit citizen members of the Board of Directors for the two new corporations. Ads were placed on December 3, 2008 in the *Globe & Mail* and other publications selected for their professional or diverse readership base. Eighty-one applications were received for Invest Toronto and eighty-two applications were received for Build Toronto. The panel will interview candidates in February 2009. A recommendation to Council of a slate of board appointments is expected in February or April 2009.
5. As directed by Council a search committee was appointed by the Mayor to conduct a national search for the Chief Executive Officers for the two new corporations. Executive search firms have been retained to assist with the CEO recruitment and advertisements are being placed in the *Globe & Mail* and possibly one or two other select publications before the end of January 2009. Interviews of top candidates are expected to take place in March 2009 and offers are expected to be made by April 1, 2009 with the CEOs to start as soon as possible thereafter.
6. In this report the City Manager is recommending remuneration for these boards, and through this action is advancing the establishment of the permanent Boards.

7. The City Manager, in consultation with all relevant stakeholders, is developing shareholder directions for Build Toronto and Invest Toronto. The new Boards and CEOs, once they are appointed, will be engaged in that process. The shareholder direction for each corporation that will clearly outline the City objectives for each corporation, board responsibilities and authorities, operating principles, reporting requirements, accountability mechanisms and expectations of how the City and the board will work together. The shareholder directions will be brought forward to Council for approval.
8. Effective January 1, 2009, TEDCO's current incubator programs along with the associated funding and staffing and management responsibility were transferred to EDCT. Expenses and revenues for the incubator program are included in the 2009 budget.
9. The City Manager is reviewing the need to request that the Province amend the City Services Corporation Regulation (O. Reg 609/06) to remove the existing prohibition against a City Services Corporation incorporating subsidiaries.
10. The City CCO is well into the process of reviewing City properties to identify lands with development potential for turnover or transfer to Build Toronto. Discussions are underway with divisions and ABCs. A report to Council outlining Real Estate Principles is expected in April 2009 followed shortly thereafter with recommendations for specific Turnover and Transfer Agreements.
11. As directed by Council, the Chief Financial Officer is reviewing the financial and real estate issues concerning TEDCO land agreements and projects outside the waterfront. The CFO, working with the City Solicitor, will transfer the properties to Build Toronto for nominal consideration with appropriate arrangements for supporting staff and other resources as deemed necessary.
12. City officials conducted on-site research of models in Chicago, Washington and New York City during the week of December 14, 2008, to refine the mandate and guide the start-up process for Invest Toronto.

Visits and in-depth discussions were held with 17 different groups over three and a half days. City officials were interested in the role, mandate, governance and financial model for each of the external agencies and explored the interrelationships between the City Governments, their respective agencies and Chambers of Commerce to assess the overall delivery model for economic development and investment attraction in each city. Several key findings that emerged from these discussions are the following:

- a) As local business leaders, CEOs of companies located in Toronto should be engaged by the Invest Toronto agency in investment attraction. Specific leading CEOs should be invited by the Mayor to participate in an advisory body that assists in the function of investment and business attraction. In addition, as is the case in many US Cities, these CEO's who are invited to participate often provide cash or in-kind resources to assist in

the funding of investment attraction, and this model should be further investigated for Toronto.

b) The first point of contact for business investors is often the City agency's website. In particular, site selectors need the ability to gather relevant site, employment, tax, and sectoral data and get information on incentive opportunities which are critical to the site selection process. A powerful stand-alone website is needed to help ensure that inquiries are translated into investment opportunities, and information must be current, interactive and clearly communicated.

c) Operational independence of the agency requires an effective arms-length relationship with the bureaucracy and a high degree of financial independence. Identification of a dedicated revenue source from Build Toronto and/or the City of Toronto directly, structured in a way that is not dependent on the City budgeting process, should be more fully examined by the permanent Board and CEO in conjunction with the City of Toronto CFO.

d) Alignment within all the players in the process of investment attraction is required. While Invest Toronto will be the City of Toronto's main vehicle, there are many other key stakeholders and players in the process of business and investment attraction. There will need to be a strong stakeholder process to align the local, regional, provincial and national efforts in this area.

Stakeholder consultations have been held over a three day period in January 2009 and included over 100 individuals representing major organizations, businesses, academic organizations, cultural, tourism and sectoral partners along with senior staff from the City and its ABCCs. Excellent input was received. Other meetings and engagement with a range of stakeholders is ongoing. The input from the US trip, the stakeholder consultation and other start-up work is being used to develop an initial strategic framework which will be provided to the permanent Board of Directors. It will outline the key deliverables to guide the first year of operations.

Real Estate Strategy and Authorities for Land Transfers and Turnovers

13. The Deputy City Manager responsible for waterfront revitalization has undertaken a review to determine the appropriate disposition of all TEDCO's lands within the waterfront planning area, with a view to expediting renewal of this large area, ensuring effective management of those lands that are likely to remain in industrial use, and ensuring that the use of other lands is optimized while awaiting renewal by Waterfront Toronto.

Funding

14. The City CFO is in discussion with staff to develop a protocol for funding requests from the \$10 million in seed funding authorized by Council and is developing options for repayment of that seed money for inclusion in the Shareholder Directions.

B. Board Remuneration

In evaluating possible rates of remuneration for citizen appointees, staff reviewed a range of remuneration paid to other boards, including:

- City and partnered corporations, as well as other corporations operating in the GTA;
- Federal and provincial boards with some similarities to either Build Toronto or Invest Toronto; and
- 2007 Conference Board of Canada board compensation survey results from a cross-section of Canadian public sector organizations (primarily commercial Crown corporations), as well as privately held and publicly traded companies.

Build Toronto

Proposed annual citizen remuneration rates for Build Toronto, including attendance at board and committee meetings and service on any subsidiary or associated board:

Citizen Member Remuneration			Citizen Vice Chair (If Mayor Chair)	Citizen Vice Chair (If Citizen Chair)	Citizen Chair
Annual Retainer	Meeting Fee	Annual Maximum	Annual Retainer (No Meeting Fee)	Paid same as citizen member	Annual Retainer (No Meeting Fee)
\$5,000	\$500	\$15,000	\$30,000	See citizen Member Remuneration	\$40,000

As approved by Council the Mayor will serve as Chair of Build Toronto for the initial two-year term and a citizen will serve as the Vice Chair. After the initial two-year term, or as the Chair deems appropriate, the Vice-Chair will become the Chair and the Mayor may continue as Vice-Chair or name a Councillor to be Vice-Chair of the board. Since Councillors are not paid for board service, remuneration is paid only to either the Chair or the Vice-Chair at any point in time.

An annual retainer (with no meeting fee) is recommended for a citizen Vice-Chair (while the Mayor is Chair) recognizing that the Vice-Chair will be required to take on additional duties to support the Mayor in his role as Chair. This higher amount will only be paid to a Vice-Chair while the Mayor is Chair. Once the citizen Vice-Chair becomes the Chair, the citizen Vice-Chair will be paid the same as the other citizen members of the board.

The remuneration for Chair will be paid once the citizen Vice-Chair assumes the Chair. An annual retainer recognizes the time demands for client and stakeholder contacts beyond formal board meetings.

As shown in the chart below, comparable citizen remuneration rates for other City corporate and commercial boards:

Board	Effective Date	Citizen Member Remuneration				Citizen Chair Remuneration	
		Annual Retainer	Meeting Fee	Committee Fee	Maximum	Annual Retainer	Meeting Fee
Enwave	Beginning of this term of Council	\$20,000	Nil	Nil	\$20,000	\$40,000	Nil
TCHC	Following July 26, 2005 Council approval	\$2,500	\$500	\$500	\$10,000	\$20,000	Nil
TEDCO	Beginning of this term of Council	\$2,500	\$500	\$500	\$10,000	\$15,000	Nil
Toronto Hydro	Council continued remuneration at existing rates while incumbent chair continued	\$12,500	\$1,000	\$1,000	No \$ max but # of committee meetings paid per year is capped	\$75,000	Nil
	Staff Recommended Rates for Toronto Hydro (Not Approved)	\$12,500	\$500	\$500	\$20,000	\$40,000	
TPA	Beginning of this term of Council	Nil	\$500	\$500	\$7,500	\$10,000	Nil
Waterfront Toronto	Current rates	\$5,000	\$500	\$500 Plus, Annual \$7,500 for Committee Chair	No max Per mtng fee based on min of 2 hours	\$30,000	Nil

TCHC: Toronto Community Housing Corporation
 TEDCO: Toronto Economic Development Corporation
 TPA: Toronto Parking Authority

Invest Toronto

Proposed annual citizen remuneration rates for Invest Toronto, including attendance at board and committee meetings and service on any subsidiary or associated board:

Citizen Member Remuneration	Citizen Vice Chair (Mayor is Chair)
Annual Retainer (No Meeting Fees)	Annual Retainer (No Meeting Fee)
Nil	\$15,000

As approved by Council, the Mayor will serve as Chair and a citizen as Vice Chair. As with Build Toronto, the citizen Vice-Chair will receive an annual retainer recognizing a Vice-Chair will need to take on additional duties to support the Mayor in his role as Chair. No remuneration is recommended for other citizen members of the board. This is in keeping with other boards, such as Tourism Toronto, the Ontario Tourism Marketing Partnership Corporation and the International Trade and Investment board (Ontario board), which reimburse citizen members for expenses but pay no remuneration. This also takes into account that while the City will benefit from the expertise and contributions of the citizens who serve on the Invest Toronto board, the members and their respective sectors may also benefit through new business contacts and opportunities.

SUMMARY

This report has been developed in consultation with: the Chief Financial Officer (CFO); the Chief Corporate Officer (CCO); City divisions (Economic Development Culture and Tourism, Legal, Facilities & Real Estate); and, the three corporations (TEDCO, Build Toronto and Invest Toronto).

CONTACTS

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Appendix A – Bylaw Asset Transfer to Corporations
Appendix B - By-law 1 of Build Toronto Inc.
Appendix C - By-law of Invest Toronto Inc.
Appendix D - By-law of City of Toronto Economic Development Corporation

APPENDIX “A”

Authority: Executive Committee Item No. , adopted by City of Toronto
Council on

Enacted by Council: February , 2009

CITY OF TORONTO

Bill No.

BY-LAW No.

To adopt a policy with respect to Asset Transfers to Corporations.

WHEREAS the *City of Toronto Act, 2006* authorizes the City to establish corporations; and

WHEREAS paragraph 1 of section 7 of Regulation 609/06 under the *City of Toronto Act, 2006* requires that the City adopt and maintain policies on asset transfers to corporations.

The Council of the City of Toronto hereby enacts as follows:

1. This By-law constitutes the City's policy with respect to asset transfers to corporations as required by paragraph 1 of section 7 of Ontario Regulation 609/06.

2. In this By-law the following terms have the meanings indicated:

ACT – *City of Toronto Act, 2006*, including Regulations made under it.

ASSETS – Real property and personal property of the City and its agencies, boards, commissions and corporations.

CORPORATION – a corporation incorporated in accordance with Section 148 of the Act and Section 3 of Ontario Regulation 609/06.

3. Assets may be transferred to a Corporation at any time, and from time to time, as authorized by Council, on such terms and conditions as Council may determine.

4. In considering whether to authorize a proposed transfer of Assets to a Corporation, Council may have regard, among other matters, to the extent to which the proposed transfer will achieve one or more of the following objectives:

A. optimize the use and value of Assets;

B. advance the City's economic development and its economic competitiveness;

- C. attract targeted industries, stimulate the creation of desirable employment, regenerate neighbourhoods and advance employment opportunities;
- D. achieve sustainable growth and the regeneration of infrastructure and land use;
- E. ensure stewardship of the natural environment; and
- F. achieve social objectives and an enhanced quality of life for the citizens of Toronto.

ENACTED AND PASSED this

, 2009 A.D.

Mayor

City Clerk

APPENDIX “B”

BY-LAW 1
OF
BUILD TORONTO INC.
A by-law relating generally to the
transaction of the business and affairs of
BUILD TORONTO INC.

(herein called the “corporation”)

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BE IT ENACTED as a by-law of the corporation as follows:

Section One
INTERPRETATION

1.1 DEFINITIONS. In this By-law, unless the context otherwise requires:

- (i) words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders;
- (ii) “Act” means the *Business Corporations Act* (Ontario) as from time to time amended, and includes the regulations made pursuant thereto;
- (iii) “appoint” means “elect” and vice versa;
- (iv) “articles” means the articles of incorporation of the corporation filed November 13, 2008, as from time to time amended, supplemented or restated;
- (v) “board” means the board of directors of the corporation and “director” means a member of the board;

- (vi) “by-laws” means this By-law and all other by-laws of the corporation from time to time in force and effect;
- (vii) “chair” means the chair of the board;
- (viii) “City” means the City of Toronto;
- (ix) “City Services Corporation Regulation” means Ontario Regulation 609/06 to the *City of Toronto Act, 2006*, as that regulation may be amended or supplemented from time to time, or any successor Regulation;
- (x) “corporation” means the corporation incorporated by articles of incorporation and named Build Toronto Inc.;
- (xi) “number of directors” means the number of directors provided for in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors determined by the shareholder from time to time;
- (xii) “shareholder” means the City of Toronto, the sole shareholder of the corporation; and
- (xiii) words and expressions defined in the Act shall have the same meanings when used herein.

Section Two

ACTIONS OF THE CORPORATION

2.1 REGULATION. The Corporation and its directors and officers shall comply with the City Services Corporation, and without limiting the foregoing shall have regard to s. 22 of that regulation which provides that the corporation’s non-compliance with that regulation may be considered sufficient cause to cancel the certificate of incorporation of the corporation.

Section Three

ADMINISTRATION OF THE CORPORATION

3.1 FINANCIAL YEAR. The financial year of the corporation shall end on the last day of December in each year.

3.2 EXECUTION OF INSTRUMENTS. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the corporation in accordance with the delegation of authority approved by the board, which delegation shall set out the names of the individuals with signing authority, and any specific information relating to that authority.

3.3 BANKING ARRANGEMENTS. The banking business of the corporation shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or

any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

Section Four DIRECTORS

4.1 NUMBER OF DIRECTORS. The number of directors will be determined by the shareholder from time to time.

4.2 QUORUM. The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors to be on the board, as determined in accordance with section 3.1. Where there are one or more vacancies on the board, the remaining directors may exercise all the powers of the board as long as a quorum of the board remains in office.

4.3 TERM. Directors serve at the pleasure of the shareholder and the term of a director shall be determined by the shareholder when the director is appointed, subject to the maximum term specified in the Act. However, if a director misses three consecutive regularly scheduled meetings of the board, without such absences and the reasons therefore being approved by the board and recorded in the minutes of the corporation, that director shall be deemed to have submitted his or her written resignation to the corporation and a vacancy declared on the day immediately following the third of such missed consecutive regularly scheduled meetings of the board.

4.4 DIRECTORS CONTINUE. Unless a director vacates the office for any reason, an incumbent director shall continue in office until a successor is appointed.

4.5 REMOVAL OF DIRECTORS. Subject to the provisions of the Act, the shareholder may remove any director from office and may appoint any person in his or her stead for the remainder of the term.

4.6 VACATION OF OFFICE. A director ceases to hold office when he or she dies; when he or she is removed from office by the shareholder or a successor is appointed by the shareholder; when he or she ceases to be qualified for election as a director; when he or she is deemed to have submitted his or her written resignation to the corporation pursuant to section 3.3; or when his or her written resignation is received by the corporation or, if a time is specified in such resignation at the time so specified, whichever is later.

4.7 VACANCIES. If a vacancy occurs in the board, the board shall immediately notify the shareholder and request that the shareholder fill the vacancy for the remainder of the term. A vacancy will occur upon a director ceasing to hold office, upon the number of directors being increased without the election of the requisite number of additional directors or upon the failure to appoint the number of directors required to be appointed.

4.8 ACTION BY THE BOARD. Subject to any unanimous shareholder declaration the board shall manage or supervise the management of the business and affairs of the corporation. The powers of the board may be exercised at a meeting at which a quorum is present.

4.9 PLACE OF MEETING. Meetings of the board shall be held at any place within the Province of Ontario as long as a majority of meetings are held within the City of Toronto.

4.10 CALLING OF MEETINGS. Meetings of the board shall be held from time to time at such time and at such place, subject to section 3.9, as the board, the chair, the president of the corporation or any two directors of the corporation may determine, as long as the required notice is given in the manner provided in section 8.1 so that it shall be received not less than 3 business days before the day on which the meeting is to be held.

4.11 LACK OF QUORUM. If there is no quorum within fifteen (15) minutes after the time appointed for any meeting of the board, the chair shall call the roll and take down the names of the members then present, and the meeting shall then be adjourned until the next day scheduled for the meeting.

4.12 ADJOURNED MEETING. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.13 REGULAR MEETINGS. The board by resolution may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named in such resolution. A copy of any resolution of the board fixing the date, place and time of such regular meetings shall be sent forthwith after being passed to each director and other officials to whom such notice is required be given.

4.14 SPECIAL MEETINGS. Meetings of the board other than regular meetings may be called in accordance with these by-laws. A notice of such a meeting shall specify the purpose of or the business to be transacted at the meeting and no other business shall be considered except with the approval of the chair and at least 2/3 of the other directors present and voting.

4.15 PUBLIC MEETINGS. Meetings of the board are not required to be held in public. If the board decides to hold a meeting or a portion of a meeting in public, it shall give notice of that meeting to the public at least 10 days in advance of the meeting, the notice shall set out the place and time of the meeting and the agenda items to be discussed in public at the meeting, and the meeting shall be held in a publicly accessible place with a majority of directors present.

4.16 CHAIR. The board will designate one of the directors to serve as chair of the board in accordance with the designation of the shareholder acting through City Council. If City Council does not designate a chair, the board shall designate a director to serve as chair of the board until City Council designates a chair. The chair of the board shall preside at all board meetings. If the chair is not present at a meeting, then the directors present shall choose one of them to be chair for that meeting. The chair shall be charged with determining procedural questions that may arise in the course of meetings of the board.

4.17 VOTES TO GOVERN. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

4.18 RESOLUTION IN WRITING. Resolutions of the board shall be recorded in the minutes of the meetings of the board and need not be signed by all directors. However, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors. Such resolutions shall be reported at the next meeting of the board and recorded in the minutes.

4.19 MEETING BY TELEPHONE. If all the directors present at or participating in a meeting consent, a meeting of the board or a committee of the board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.

4.20 REMUNERATION. The directors shall receive remuneration as determined by the shareholder from time to time. Members of City Council and City staff who are directors receive no additional remuneration for serving as directors. Expenses may be reimbursed in accordance with the City's policy for expense reimbursement for agencies, boards, commissions, and corporations.

4.21 SHAREHOLDER COMMUNICATIONS. The board shall generally communicate with its shareholder through a process that may be designated from time to time by the shareholder.

4.22 PERSONS ENTITLED TO BE PRESENT AT MEETINGS. The only persons entitled to be present at a meeting of the board that is closed to the public shall be the directors of the corporation and others who, although not entitled to vote, are entitled or required to be present at the meeting under any provision of the Act, the articles or by-laws of the corporation, or a shareholder direction. The City Auditor General or his or her designate is also entitled to attend any board meeting or meeting of any committee of the board. Any other person may be admitted only on the invitation of the chair of the meeting, or with the consent of a majority of the number of directors appointed to the board.

4.23 CITY STAFF ATTENDANCE AT MEETINGS. Notwithstanding section 3.22, staff of the Mayor's Office, the City Manager or his designates, the City Chief Financial Officer or his designates or any other City official designated by the shareholder from time to time, or his or her designate shall be entitled to receive notice of and to attend all meetings of the board.

Section Five COMMITTEES

5.1 COMMITTEES. The board may in its discretion appoint such committees of the board as it deems appropriate, and delegate to such committees any of the powers of the board except those which the board is prohibited by the Act from delegating. A majority of the members of each committee shall be resident Canadians. The board shall not delegate to a committee the power to commit corporation resources unless the board has approved monetary limits on the corporate resources that may be committed by the committee.

5.2 TRANSACTION OF BUSINESS. The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

5.3 PROCEDURE. Unless otherwise determined by the board, each committee shall have the power to (i) fix its quorum, provided that the quorum shall not be less than a majority of the members, (ii) to elect its chair, and (iii) to regulate its procedure.

5.4 REPORTING. Each committee of directors shall regularly report to the board. Major decisions of a committee shall be reported for information to the board at its next meeting. The board has the power to overturn decisions of a committee by resolution.

Section Six OFFICERS

6.1 APPOINTMENT. The board shall from time to time appoint such officers as the board may determine.

6.2 POWERS AND DUTIES OF OFFICERS. The powers and duties of officers of the corporation shall be such as the terms of their engagement call for or as the board may specify.

6.3 TERM OF OFFICE. The board, in its discretion, may remove any officer of the corporation.

Section Seven PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 LIMITATION OF LIABILITY. Every director and officer of the corporation in exercising his or her powers and discharging his or her duties shall (i) act honestly and in good faith with a view to the best interests of the corporation, or in accordance with any unanimous shareholder declaration from the Shareholder to the Board, and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for any loss, damage or expense incurred by the corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the corporation, or for the insufficiency or deficiency of any securities in or upon which any of the moneys of the corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the corporation shall be deposited, or for any loss occasioned by any error or judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of his or her office or in relation thereto, provided however, that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act, the regulations under the Act, other applicable laws and regulations, or from liability for any breach thereof.

7.2 INDEMNITY. Subject to the Act, the corporation shall indemnify each director or officer, each former director or officer and each individual who acts or acted at the corporation's request as a director or officer or in a similar capacity of another entity and his or her heirs and legal representatives (each, an "**Indemnified Person**"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of that association with the corporation or such entity, if:

- (i) he or she acted honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the corporation's request, or in accordance with any unanimous shareholder declaration made with respect to the corporation or such other entity; and
- (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

Subject to the Act, the corporation may advance money to each Indemnified Person for the reasonable costs, charges and expenses of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of his or her association with the corporation or other entity, provided that such Indemnified Person shall repay the money if he or she did not act honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the corporation's request.

Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.3 INSURANCE. Subject to the Act, the corporation may purchase and maintain such insurance for the persons referred to in section 6.2 hereof as the board may from time to time determine.

Section Eight SHAREHOLDER'S RESOLUTION

8.1 Subject to the Act, all resolutions regarding the corporation passed at a shareholder meeting or, in lieu of passage at a shareholder meeting, resolutions in writing and signed on behalf of the shareholder, shall be binding on the corporation.

Section Nine NOTICES

9.1 METHOD OF GIVING NOTICE. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, other applicable laws and regulations, the articles, the by-laws or otherwise to the shareholder, a director, officer, auditor or member of a committee of the board

shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to that person's recorded address or if mailed to that recorded address by prepaid ordinary or air mail or if sent to that address by any means of transmitted or recorded communication or if sent by facsimile to the latest facsimile number of the person to whom it is to be given, as shown in the records of the corporation. A notice so delivered shall be deemed to have been received when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; a notice so transmitted shall be deemed to have been received when it is transmitted; a notice sent by facsimile shall be deemed to have been received at the time of successful transmission. The recorded address of a director shall be his or her latest address as shown in the records of the corporation or in the most recent notice filed under the *Corporations Information Act*, whichever is the more current. The secretary may change or cause to be changed the recorded address of the shareholder, a director, officer, auditor or member of a committee of the board in accordance with any information believed by him or her to be reliable.

9.2 COMPUTATION OF TIME. In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be excluded. If the last day of a notice period falls on a Sunday or a holiday the period shall terminate at midnight of the day next following the said Sunday or holiday.

9.3 OMISSIONS AND ERRORS. The accidental omission to give any notice to the shareholder, a director, officer, auditor or member of a committee of the board or other persons or the non-receipt of any notice by any that person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to that notice or otherwise founded thereon.

9.4 WAIVER OF NOTICE. The shareholder or its representatives, a director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under any provisions of the Act, the regulations thereunder, the articles, the by-laws or otherwise and that waiver, whether given before or after the time of the conduct of the business of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be.

Section Ten
EFFECTIVE DATE

10.1 EFFECTIVE DATE. Subject to the Act, this by-law shall come into force immediately upon its approval by the board and it shall be delivered to the shareholder for approval. Any amendments made by the shareholder will come into effect at the date of approval of such amendments by the shareholder.

ENACTED this ____ day of December, 2008

Chair

Secretary

APPENDIX “C”

BY-LAW 1 OF

INVEST TORONTO INC.

A by-law relating generally to the
transaction of the business and affairs of
INVEST TORONTO INC.

(herein called the “corporation”)

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One	Interpretation
Two	Actions of the Corporations
Three	Administration of the Corporation
Four	Directors
Five	Committees
Six	Officers
Seven	Protection of Directors, Officers and Others
Eight	Shareholder's Resolution
Nine	Notices
Ten	Effective Date

BE IT ENACTED as a by-law of the corporation as follows:

Section Eleven
INTERPRETATION

11.1 DEFINITIONS. In this By-law, unless the context otherwise requires:

- (i) words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders;
- (ii) “Act” means the *Business Corporations Act* (Ontario) as from time to time amended, and includes the regulations made pursuant thereto;
- (iii) “appoint” means “elect” and vice versa;
- (iv) “articles” means the articles of incorporation of the corporation filed November 13, 2008, as from time to time amended, supplemented or restated;
- (v) “board” means the board of directors of the corporation and “director” means a member of the board;

- (vi) “by-laws” means this By-law and all other by-laws of the corporation from time to time in force and effect;
- (vii) “chair” means the chair of the board;
- (viii) “City” means the City of Toronto;
- (ix) “City Services Corporation Regulation” means Ontario Regulation 609/06 to the *City of Toronto Act, 2006*, as that regulation may be amended or supplemented from time to time, or any successor Regulation;
- (x) “corporation” means the corporation incorporated by articles of incorporation and named Invest Toronto Inc.;
- (xi) “number of directors” means the number of directors provided for in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors determined by the shareholder from time to time;
- (xii) “shareholder” means the City of Toronto, the sole shareholder of the corporation; and
- (xiii) words and expressions defined in the Act shall have the same meanings when used herein.

Section Twelve

ACTIONS OF THE CORPORATION

2.1 REGULATION. The Corporation and its directors and officers shall comply with the City Services Corporation Regulation, and without limiting the foregoing shall have regard to s. 22 of that regulation which provides that the corporation’s non-compliance with that regulation may be considered sufficient cause to cancel the certificate of incorporation of the corporation.

Section Thirteen

ADMINISTRATION OF THE CORPORATION

13.1 FINANCIAL YEAR. The financial year of the corporation shall end on the last day of December in each year.

13.2 EXECUTION OF INSTRUMENTS. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the corporation in accordance with the delegation of authority approved by the board, which delegation shall set out the names of the individuals with signing authority, and any specific information relating to that authority.

13.3 BANKING ARRANGEMENTS. The banking business of the corporation shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or

any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

Section Fourteen DIRECTORS

14.1 NUMBER OF DIRECTORS. The number of directors will be determined by the shareholder from time to time.

14.2 QUORUM. The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors to be on the board, as determined in accordance with section 4.1. Where there are one or more vacancies on the board, the remaining directors may exercise all the powers of the board as long as a quorum of the board remains in office.

14.3 TERM. Directors serve at the pleasure of the shareholder and the term of a director shall be determined by the shareholder when the director is appointed, subject to the maximum term specified in the Act. However, if a director misses three consecutive regularly scheduled meetings of the board, without such absences and the reasons therefor being approved by the board and recorded in the minutes of the corporation, that director shall be deemed to have submitted his or her written resignation to the corporation and a vacancy declared on the day immediately following the third of such missed consecutive regularly scheduled meetings of the board.

14.4 DIRECTORS CONTINUE. Unless a director vacates the office for any reason, an incumbent director shall continue in office until a successor is appointed.

14.5 REMOVAL OF DIRECTORS. Subject to the provisions of the Act, the shareholder may remove any director from office and may appoint any person in his or her stead for the remainder of the term.

14.6 VACATION OF OFFICE. A director ceases to hold office when he or she dies; when he or she is removed from office by the shareholder or a successor is appointed by the shareholder; when he or she ceases to be qualified for election as a director; when he or she is deemed to have submitted his or her written resignation to the corporation pursuant to section 4.3; or when his or her written resignation is received by the corporation or, if a time is specified in such resignation at the time so specified, whichever is later.

14.7 VACANCIES. If a vacancy occurs in the board, the board shall immediately notify the shareholder and request that the shareholder fill the vacancy for the remainder of the term. A vacancy will occur upon a director ceasing to hold office, upon the number of directors being increased without the election of the requisite number of additional directors or upon the failure to appoint the number of directors required to be appointed.

14.8 ACTION BY THE BOARD. Subject to any unanimous shareholder declaration the board shall manage or supervise the management of the business and affairs of the corporation. The powers of the board may be exercised at a meeting at which a quorum is present.

14.9 PLACE OF MEETING. Meetings of the board shall be held at any place within the Province of Ontario as long as a majority of meetings are held within the City of Toronto.

14.10 CALLING OF MEETINGS. Meetings of the board shall be held from time to time at such time and at such place, subject to section 4.9, as the board, the chair, the president of the corporation or any two directors of the corporation may determine, as long as the required notice is given in the manner provided in section 9.1 so that it shall be received not less than 3 business days before the day on which the meeting is to be held.

14.11 LACK OF QUORUM. If there is no quorum within fifteen (15) minutes after the time appointed for any meeting of the board, the chair shall call the roll and take down the names of the members then present, and the meeting shall then be adjourned until the next day scheduled for the meeting.

14.12 ADJOURNED MEETING. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

14.13 REGULAR MEETINGS. The board by resolution may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named in such resolution. A copy of any resolution of the board fixing the date, place and time of such regular meetings shall be sent forthwith after being passed to each director and other officials to whom such notice is required be given.

14.14 SPECIAL MEETINGS. Meetings of the board other than regular meetings may be called in accordance with these by-laws. A notice of such a meeting shall specify the purpose of or the business to be transacted at the meeting and no other business shall be considered except with the approval of the chair and at least 2/3 of the other directors present and voting.

14.15 PUBLIC MEETINGS. Meetings of the board are not required to be held in public. If the board decides to hold a meeting or a portion of a meeting in public, it shall give notice of that meeting to the public at least 10 days in advance of the meeting, the notice shall set out the place and time of the meeting and the agenda items to be discussed in public at the meeting, and the meeting shall be held in a publicly accessible place with a majority of directors present.

14.16 CHAIR. The board will designate one of the directors to serve as chair of the board in accordance with the designation of the shareholder acting through City Council. If City Council does not designate a chair, the board shall designate a director to serve as chair of the board until City Council designates a chair. The chair of the board shall preside at all board meetings. If the chair is not present at a meeting, then the directors present shall choose one of them to be chair for that meeting. The chair shall be charged with determining procedural questions that may arise in the course of meetings of the board.

14.17 VOTES TO GOVERN. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

14.18 RESOLUTION IN WRITING. Resolutions of the board shall be recorded in the minutes of the meetings of the board and need not be signed by all directors. However, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors. Such resolutions shall be reported at the next meeting of the board and recorded in the minutes.

14.19 MEETING BY TELEPHONE. If all the directors present at or participating in a meeting consent, a meeting of the board or a committee of the board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.

14.20 REMUNERATION. The directors shall receive remuneration as determined by the shareholder from time to time. Members of City Council and City staff who are directors receive no additional remuneration for serving as directors. Expenses may be reimbursed in accordance with the City's policy for expense reimbursement for agencies, boards, commissions, and corporations.

14.21 SHAREHOLDER COMMUNICATIONS. The board shall generally communicate with its shareholder through a process that may be designated from time to time by the shareholder.

14.22 PERSONS ENTITLED TO BE PRESENT AT MEETINGS. The only persons entitled to be present at a meeting of the board that is closed to the public shall be the directors of the corporation and others who, although not entitled to vote, are entitled or required to be present at the meeting under any provision of the Act, the articles or by-laws of the corporation, or a shareholder direction. The City Auditor General or his or her designate is also entitled to attend any board meeting or meeting of any committee of the board. Any other person may be admitted only on the invitation of the chair of the meeting, or with the consent of a majority of the number of directors appointed to the board.

14.23 CITY STAFF ATTENDANCE AT MEETINGS. Notwithstanding section 4.22, staff of the Mayor's Office, the City Manager or his designates, the City Chief Financial Officer or his designates or any other City official designated by the shareholder from time to time, or his or her designate shall be entitled to receive notice of and to attend all meetings of the board.

Section Fifteen COMMITTEES

15.1 COMMITTEES. The board may in its discretion appoint such committees of the board as it deems appropriate, and delegate to such committees any of the powers of the board except those which the board is prohibited by the Act from delegating. A majority of the members of each committee shall be resident Canadians. The board shall not delegate to a committee the power to commit corporation resources unless the board has approved monetary limits on the corporate resources that may be committed by the committee.

15.2 TRANSACTION OF BUSINESS. The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

15.3 PROCEDURE. Unless otherwise determined by the board, each committee shall have the power to (i) fix its quorum, provided that the quorum shall not be less than a majority of the members, (ii) elect its chair, and (iii) regulate its procedure.

15.4 REPORTING. Each committee of directors shall regularly report to the board. Major decisions of a committee shall be reported for information to the board at its next meeting. The board has the power to overturn decisions of a committee by resolution.

Section Sixteen OFFICERS

16.1 APPOINTMENT. The board shall from time to time appoint such officers as the board may determine.

16.2 POWERS AND DUTIES OF OFFICERS. The powers and duties of officers of the corporation shall be such as the terms of their engagement call for or as the board may specify.

16.3 TERM OF OFFICE. The board, in its discretion, may remove any officer of the corporation.

Section Seventeen PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

17.1 LIMITATION OF LIABILITY. Every director and officer of the corporation in exercising his or her powers and discharging his or her duties shall (i) act honestly and in good faith with a view to the best interests of the corporation, or in accordance with any unanimous shareholder declaration from the Shareholder to the Board, and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for any loss, damage or expense incurred by the corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the corporation, or for the insufficiency or deficiency of any securities in or upon which any of the moneys of the corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the corporation shall be deposited, or for any loss occasioned by any error or judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of his or her office or in relation thereto, provided however, that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act, the regulations under the Act, other applicable laws and regulations, or from liability for any breach thereof.

17.2 INDEMNITY. Subject to the Act, the corporation shall indemnify each director or officer, each former director or officer and each individual who acts or acted at the corporation's request as a director or officer or in a similar capacity of another entity and his or her heirs and legal representatives (each, an "Indemnified Person"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of that association with the corporation or such entity, if:

- (i) he or she acted honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the corporation's request, or in accordance with any unanimous shareholder declaration made with respect to the corporation or such other entity; and
- (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

Subject to the Act, the corporation may advance money to each Indemnified Person for the reasonable costs, charges and expenses of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of his or her association with the corporation or other entity, provided that such Indemnified Person shall repay the money if he or she did not act honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the corporation's request.

Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

17.3 INSURANCE. Subject to the Act, the corporation may purchase and maintain such insurance for the persons referred to in section 7.2 hereof as the board may from time to time determine.

Section Eighteen SHAREHOLDER'S RESOLUTION

18.1 Subject to the Act, all resolutions regarding the corporation passed at a shareholder meeting or, in lieu of passage at a shareholder meeting, resolutions in writing and signed on behalf of the shareholder, shall be binding on the corporation.

Section Nineteen NOTICES

19.1 METHOD OF GIVING NOTICE. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, other applicable laws and regulations, the articles, the by-laws or otherwise to the shareholder, a director, officer, auditor or member of a committee of the board

shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to that person's recorded address or if mailed to that recorded address by prepaid ordinary or air mail or if sent to that address by any means of transmitted or recorded communication or if sent by facsimile to the latest facsimile number of the person to whom it is to be given, as shown in the records of the corporation. A notice so delivered shall be deemed to have been received when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; a notice so transmitted shall be deemed to have been received when it is transmitted; a notice sent by facsimile shall be deemed to have been received at the time of successful transmission. The recorded address of a director shall be his or her latest address as shown in the records of the corporation or in the most recent notice filed under the *Corporations Information Act*, whichever is the more current. The secretary may change or cause to be changed the recorded address of the shareholder, a director, officer, auditor or member of a committee of the board in accordance with any information believed by him or her to be reliable.

19.2 COMPUTATION OF TIME. In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be excluded. If the last day of a notice period falls on a Sunday or a holiday the period shall terminate at midnight of the day next following the said Sunday or holiday.

19.3 OMISSIONS AND ERRORS. The accidental omission to give any notice to the shareholder, a director, officer, auditor or member of a committee of the board or other persons or the non-receipt of any notice by any that person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to that notice or otherwise founded thereon.

19.4 WAIVER OF NOTICE. The shareholder or its representatives, a director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under any provisions of the Act, the regulations thereunder, the articles, the by-laws or otherwise and that waiver, whether given before or after the time of the conduct of the business of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be.

Section Twenty EFFECTIVE DATE

20.1 EFFECTIVE DATE. Subject to the Act, this by-law shall come into force immediately upon its approval by the board and it shall be delivered to the shareholder for approval. Any amendments made by the shareholder will come into effect at the date of approval of such amendments by the shareholder.

ENACTED this ____ day of December, 2008

Chair

Secretary

APPENDIX “D”
BY-LAW 1
OF
CITY OF TORONTO ECONOMIC DEVELOPMENT CORPORATION
A by-law relating generally to the
transaction of the business and affairs of
CITY OF TORONTO ECONOMIC DEVELOPMENT CORPORATION
(herein called the “corporation”)

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Two	Business of the Corporation
Three	Directors
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Five	Officers
Six	Protection of Directors, Officers and Others
Seven	Shareholder's Resolution
Eight	Notices
Nine	Repeal
Ten	Effective Date

BE IT ENACTED as a by-law of the corporation as follows:

Section One
INTERPRETATION

- 1.1 DEFINITIONS. In this by-law, unless the context otherwise requires:
- (i) words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders;
 - (ii) “Act” means the *Business Corporations Act* (Ontario) as from time to time amended, and includes the regulations made pursuant thereto;
 - (iii) “appoint” means “elect” and vice versa;
 - (iv) “articles” means the articles of incorporation of the corporation filed March 24, 1986, as from time to time amended, supplemented or restated;
 - (v) “board” means the board of directors of the corporation and "director" means a member of the board;

- (vi) “by-laws” means this By-law and all other by-laws of the corporation from time to time in force and effect;
- (vii) “corporation” means the corporation incorporated by articles of incorporation and named City of Toronto Economic Development Corporation;
- (viii) “number of directors” means the number of directors provided for in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors determined by Toronto City Council from time to time;
- (ix) “shareholder” means the City of Toronto, the sole shareholder of the corporation; and
- (x) words and expressions defined in the Act shall have the same meanings when used herein.

Section Two BUSINESS OF THE CORPORATION

2.1 FINANCIAL YEAR. The financial year of the corporation shall end on the last day of December in each year.

2.2 CORPORATE SEAL. Until changed by resolution of the board, the corporate seal of the corporation shall be in the form impressed hereon.

2.3 EXECUTION OF INSTRUMENTS. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the corporation by the president of the corporation or by two persons, one of whom holds the office of chair or director and the other of whom holds one of the said offices or the office of secretary, controller or any other office created by by-law or by resolution of the board. In addition, the board may from time to time direct the manner in which the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.4 BANKING ARRANGEMENTS. The banking business of the corporation shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

Section Three DIRECTORS

3.1 **NUMBERS OF DIRECTORS.** The number of directors will be determined by the shareholder from time to time.

3.2 **QUORUM.** The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors determined in accordance with subsection 3.1. Where there is a vacancy or vacancies in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.3 **QUALIFICATIONS.** No person shall be qualified for election as a director if he or she is less than eighteen years of age; if he or she is of unsound mind and has been so found by a court in Canada or elsewhere; if he or she is not an individual; or if he or she has the status of a bankrupt. A majority of the directors shall be resident Canadians provided that if the number of directors is two, at least one shall be a resident Canadian.

3.4 **TERM.** Directors serve at the pleasure of the Shareholder and the term of any director will be set by the shareholder at the time of appointment. However, in the event that a director misses three consecutive regularly scheduled meetings of the board, without such absences and the reasons therefor being approved by the board and recorded in the minutes of the corporation, that director shall be deemed to have submitted his or her written resignation to the corporation on the day immediately following the third of such missed consecutive regularly scheduled meetings of the board.

3.5 **DIRECTORS CONTINUE.** Unless a vacancy is declared, incumbent directors shall continue in office until their successors are elected.

3.6 **REMOVAL OF DIRECTORS.** Subject to the provisions of the Act, the shareholder may remove any director from office and may appoint any person in his or her stead for the remainder of the term.

3.7 **VACATION OF OFFICE.** A director ceases to hold office when he or she dies; when he or she is removed from office by the shareholder; when he or she ceases to be qualified for election as a director; when he or she is deemed to have submitted his or her written resignation to the corporation pursuant to subsection 3.4 hereof; or when his or her written resignation is received by the corporation or, if a time is specified in such resignation at the time so specified, whichever is later.

3.8 **VACANCIES.** If a vacancy occurs in the board, the Board shall notify the shareholder and request that the shareholder fill the vacancy for the remainder of the term. A vacancy will occur upon a director ceasing to hold office, upon the number of directors being increased without the election of the requisite number of additional directors or upon the failure to appoint the number of directors required to be appointed.

3.9 ACTION BY THE BOARD. Subject to any unanimous shareholder declaration the board shall manage or supervise the management of the business and affairs of the corporation. The powers of the board may be exercised at a meeting at which a quorum is present.

3.10 PLACE OF MEETING. Meetings of the board shall be held at any place within the Province of Ontario as long as a majority of meetings are held within the City of Toronto.

3.11 CALLING OF MEETINGS. Meetings of the board shall be held from time to time at such time and at such place, subject to section 3.10, as the board, the chair, the president or any two directors may determine.

3.12 NOTICE OF MEETING. Notice of the time and place of each meeting of the board shall be given in the manner provided in section 8.1 to each director so that it shall be received not less than 3 days before the time when the meeting is to be held.

3.13 LACK OF QUORUM. If there is no quorum within fifteen (15) minutes after the time appointed for any meeting of the board, the chair shall call the roll and take down the names of the members then present, and the meeting shall then adjourn until the next day scheduled for the meeting.

3.14 ADJOURNED MEETING. Notice of an adjourned meeting of the board, except a meeting adjourned pursuant to section 3.13 of this by-law, is not required if the time and place of the adjourned meeting is announced at the original meeting.

3.15 REGULAR MEETINGS. The board may by resolution appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named in such resolution. A copy of any resolution of the board fixing the date, place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.16 SPECIAL MEETINGS. Meetings of the board other than regular meetings may be called in accordance with these by-laws. A notice of such a meeting shall specify the purpose of or the business to be transacted at the meeting and no other business shall be considered except with the approval of at least 2/3rds of the directors present and voting.

3.17 CHAIR. The chair of the board who shall preside at all board meetings shall be appointed at the first meeting of the board, and he or she shall remain in office for the remainder of the term. If the chair is not present at a meeting, then the directors present shall choose one of their number to be chair for such meeting. The chair shall be charged with determining procedural questions that may arise in the course of meetings of the board of directors of the corporation with reference, where appropriate, to the provisions of Chapter 27, Council Procedures, of the City of Toronto Municipal Code.

3.18 VOTES TO GOVERN. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

3.19 RESOLUTION IN WRITING. If a matter can be considered in camera in accordance with subsection 3.21, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors. Such resolutions shall be recorded in the minutes of the next regular meeting.

3.20 MEETING BY TELEPHONE. If all the directors present at or participating in a meeting consent, a meeting of the board or a committee of the board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board or of committees of the board held while a director holds office. If the matter is to be considered in public in accordance with subsection 3.21, at least one director must be present in person at the place appointed for the meeting

3.21 PUBLIC MEETINGS.

- (a) Except as provided in clause (b) below, all meetings of the board shall be open to the public.
- (b) A meeting or part of a meeting may be closed to the public if the subject matter being considered is,
 - (i) the security of the property of the corporation;
 - (ii) personal matters about an identifiable individual, including a City or corporation employee;
 - (iii) a proposed or pending acquisition or disposition of land by the corporation or the City;
 - (iv) labour relations or employee negotiations;
 - (v) litigation or potential litigation, including matters before administrative tribunals, affecting the City or the corporation;
 - (vi) advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
 - (vii) any other matter City Council would be permitted to discuss at a meeting or part of a meeting that is closed to the public under *City of Toronto Act, 2006* or any other act; or
 - (viii) A request under the *Municipal Freedom of Information and Protection of Privacy Act*.
- (c) Before holding a meeting or part of a meeting that is to be closed to the public, the Board shall state by resolution,

- (i) the fact of the holding of the closed meeting; and
 - (ii) the general nature of the matter to be considered at the closed meeting.
 - (d) Meetings shall always begin in public.
- 3.22 REMUNERATION. The directors shall receive remuneration as determined by the shareholder from time to time. Members of Council and City staff who are Directors receive no additional remuneration for serving as Directors.
- 3.23 SHAREHOLDER COMMUNICATIONS. The board shall generally communicate with its shareholder through a Committee of the shareholder as may be designated from time to time by the shareholder.
- 3.24 PERSONS ENTITLED TO BE PRESENT AT CLOSED PORTIONS OF MEETINGS. The only persons entitled to be present at a meeting of the board that is closed to the public shall be the directors of the corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting. Any City official designated by the shareholder from time to time, or his or her designate, although not a director of the corporation, shall be entitled to receive notice of, and to attend and fully participate in discussions at, all meetings of the board and shall be entitled to all other rights and privileges accorded to directors of the corporation save and except that he or she shall not have any right to vote on any matter before the board or any right or authority to act on behalf of the corporation whether through the execution of instruments or otherwise.

Section Four COMMITTEES

- 4.1 COMMITTEES OF DIRECTORS. The board may in its discretion appoint such committees of the board as it deems appropriate, and delegate to such committees any of the powers of the board except those which the board is prohibited by the Act from delegating. A majority of the members of each such committee shall be resident Canadians.
- 4.2 TRANSACTION OF BUSINESS. The powers of a committee of directors may be exercised by a meeting at which a quorum is present or, if a matter may be considered in camera in accordance with subsection 3.21, by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.
- 4.3 PROCEDURE. Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

4.6 REPORTING. Each committee of directors shall regularly report to the board. Major decisions of a committee shall be reported for information to the board at its next meeting. The board has the power to overturn decisions of a committee by resolution.

Section Five OFFICERS

5.1 APPOINTMENT. The board shall from time to time appoint a president and chief executive officer and a secretary and may appoint one or more vice-presidents, a controller and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The officers of the corporation may but need not be directors and one person may hold more than one office, except that the president may not hold the office of the secretary.

5.2 PRESIDENT AND CHIEF EXECUTIVE OFFICER. The president shall be the chief executive officer of the corporation and, subject to the authority of the board, shall have general supervision of the business and affairs of the corporation.

5.3 SECRETARY. The secretary shall attend and be the secretary of all meetings of the board; he or she shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat and all resolutions of the shareholder passed as shareholder of the corporation; he or she shall give or cause to be given, as and when instructed, all notices to the shareholder, directors, officers, auditor and members of committees of the board; he or she shall be the custodian of all books, papers, records, documents and instruments belonging to the corporation and of the stamp or mechanical device generally used for affixing the corporate seal of the corporation, except when some other officer or agent has been appointed for that purpose; and he or she shall have such other powers and duties as the board or the president may specify.

5.4 CHIEF FINANCIAL OFFICER. The chief financial officer shall keep proper accounting records in compliance with the Act and, under the direction of the board, shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the corporation; he or she shall render to the board whenever required an account of all his or her transactions as chief financial officer and of the financial position of the corporation; and he or she shall have such other powers and duties as the board or the president may specify.

5.5 POWERS AND DUTIES OF OTHER OFFICERS. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs.

5.6 VARIATION OF POWERS AND DUTIES. The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

5.7 TERM OF OFFICE. The board, in its discretion, may remove any officer of the corporation, without prejudice to such officer's rights under any employment contact. Otherwise

each officer appointed by the board shall hold office until his or her successor is appointed or until his or her earlier resignation.

5.8 TERMS OF EMPLOYMENT AND REMUNERATION. The terms of employment and the remuneration of officers appointed by the board shall be settled by the Board from time to time.

Section Six
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.1 LIMITATION OF LIABILITY. Every director and officer of the corporation in exercising his or her powers and discharging his or her duties shall (i) act honestly and in good faith with a view to the best interests of the corporation, or in accordance with any unanimous shareholder declaration from the Shareholder to the Board, and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the corporation shall be deposited, or for any loss occasioned by any error or judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto, provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

6.2 INDEMNITY. Subject to the Act, the corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the corporation is or was a shareholder or creditor and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the corporation or such body corporate, if

- (a) he or she acted honestly and in good faith with a view to the best interests of the corporation or in accordance with any unanimous shareholder declaration made by the City as the sole shareholder of TEDCO; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

Subject to the Act, the corporation may advance money to each Indemnified Person for the reasonable costs, charges and expenses of any civil, criminal, administrative, investigative or

other proceeding in which he or she is involved because of his or her association with the corporation or other entity, provided that such Indemnified Person shall repay the money if he or she did not act honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the corporation's request.

Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

6.3 INSURANCE. Subject to the Act, the corporation may purchase and maintain such insurance for the persons referred to in section 6.2 hereof as the board may from time to time determine.

Section Seven SHAREHOLDER'S RESOLUTION

7.1 Subject to the Act, all resolutions of the shareholder shall, in lieu of passage at a meeting of the shareholder, be in writing and signed on behalf of the shareholder.

Section Eight NOTICES

8.1 METHOD OF GIVING NOTICE. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to the shareholder, a director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to such person's recorded address or if mailed to such recorded address by prepaid ordinary or air mail or if sent to such address by any means of transmitted or recorded communication or if sent by facsimile to the latest facsimile number of the person to whom it is to be given, as shown in the records of the corporation. A notice so delivered shall be deemed to have been received when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; a notice so transmitted shall be deemed to have been received when it is transmitted; a notice sent by facsimile shall be deemed to have been received at the time of transmission. The recorded address of a director shall be his or her latest address as shown in the records of the corporation or in the most recent notice filed under the Corporations Information Act, whichever is the more current. The secretary may change or cause to be changed the recorded address of the shareholder, a director, officer, auditor or member of a committee of the board in accordance with any information believed by him or her to be reliable.

8.2 COMPUTATION OF TIME. In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be excluded. If the last day of a notice period falls on a Sunday or a holiday the period shall terminate at midnight of the day next following the said Sunday or holiday.

8.3 OMISSIONS AND ERRORS. The accidental omission to give any notice to the shareholder, a director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

8.4 WAIVER OF NOTICE. The shareholder, a director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under any provisions of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver whether given before or after the time of the conduct of the business of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be.

Section Nine
REPEAL

9.1 PRIOR BY-LAWS. Upon this by-law coming into force, the previous By-Law No. 1 of the corporation and all amendments to that by-law are repealed and cease to have any force and effect without any prejudice to the efficacy of any acts taken under that by-law, and this by-law becomes By-Law No. 1 of the corporation.

Section Ten
EFFECTIVE DATE

10.1 EFFECTIVE DATE. Subject to the Act, this by-law shall come into force immediately upon its approval by the Board and shall be delivered to the shareholder for approval. Any amendments made by the shareholder will come into effect at the date of approval of such amendments by the shareholder.

ENACTED this day of , 2008

Chair

Secretary