

Attachment No. 3 – By-law No 1

BY-LAW 1 OF LAKESHORE ARENA CORPORATION

A by-law relating generally to the transaction of the business and affairs of the
LAKESHORE ARENA CORPORATION

(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 - 2011, 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 Lakeshore Arena Corporation;
- (xi) "meetings" has the meaning given to the term in subsection 4.9;
- (xii) “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;
- (xiii) "remote communication facilities" has the meaning given to that term in subsection 4.18;
- (xiv) “shareholder” means the City of Toronto, the sole shareholder of the corporation; and
- (xv) 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 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 Three

ADMINISTRATION OF THE CORPORATION

3.1 REGISTERED OFFICE. The registered office of the corporation shall be such location in the City as the Board may from time to time decide by resolution.

3.2 CORPORATE SEAL. The corporation may have a corporate seal which shall be adopted, and may be changed by resolution of the Board.

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

3.4 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.

3.5 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 Directors shall consist of:

- a. General Manager of Parks, Forestry and Recreation or her designate;
- b. Chief Corporate Officer or his designate;
- c. Deputy City Manager and Chief Financial Officer or his designate;
- d. A representative of the tenants of the corporation, and approved by the shareholder; and
- e. Two members of the public with expertise and a background in sports and entertainment, finance, and/or marketing, and approved by the shareholder.

The number of directors may be altered by the shareholder from time to time.

4.2 QUALIFICATIONS. No person shall be qualified for election as a director if he or she:

- a. is less than 18 years of age;
- b. is of unsound mind and has been so found by a court in Canada or elsewhere;
- c. has the status of a bankrupt;

- d. is neither a resident Canadian or a lawful landed immigrant in Canada; or
- e. neither resides in the City, nor is the owner or tenant of land in the City.

4.3 QUORUM. The quorum for the transaction of business at any meeting of the board shall consist of the greater of 2 or 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.

4.4 TERM. Directors serve at the pleasure of the shareholder and the term of a director shall be two years. The office holders specified in section 4.1 serving on the board at the end of any term will be automatically re-appointed for another term. Any director who fails to attend 3 consecutive meeting of the Board shall be deemed to have submitted to the Board a resignation from office.

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

4.6 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.

4.7 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 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 4.4; 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.

4.8 VACANCIES. If a vacancy occurs in the board, the board immediately 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.

4.9 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.

4.10 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.

4.11 CALLING OF MEETINGS. Meetings of the board shall be held from time to time at such time and at such place, subject to section 4.10, as the board, the chair, the General Manager 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 three business days before the day on which the meeting is to be held.

4.12 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.

4.13 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.

4.14 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 that 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 to other officials to whom such notice is required be given.

4.15 SPECIAL MEETINGS. Meetings of the Board other than regular meetings may be called in accordance with this By-law. A notice of such a meeting shall specify the purpose of or the business to be transacted at the meeting and no other business may be considered except with the approval of the Chair and at least 2 of the other directors present and voting. If the special meeting is for the express purpose of engaging the public, the Board shall give notice of that special meeting to the public at least ten calendar days in advance of the meeting and that notice shall set out the place and time of the meeting and the agenda items to be discussed in public at the meeting. The meeting shall be held in a publicly accessible place with a majority of directors present.

4.16 MEETINGS OPEN TO THE PUBLIC.

(i) Except for meetings described in subsection (ii), all meetings of the board and committees of the board are open to the public, and no person is excluded from a meeting except for conduct that the chair of the board or the committee of the board or the person acting as chair of the board or the committee of the board determines is improper conduct.

(ii) The board or a committee of the board may close a meeting to the public to discuss the following:

- a. Security of the corporation's property, or property owned by the City or any agency, board or commission of the City;
- b. Personal matters about an identifiable individual, including the corporation's employees;

- c. A proposed or pending acquisition or disposition of land by the corporation or for the corporation's purposes, or by the City or for the City's purposes;
 - d. Labour relations or employee negotiations;
 - e. Litigation or potential litigation, including matters before administrative tribunals, affecting the corporation or the City;
 - f. Receiving advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
 - g. A meeting held for the purposes of educating or training the board members, provided that at the meeting no board member discusses or otherwise deals with any matter in a way that materially advances the business or decision of the board or the committee of the board;
 - h. A matter for which the board or a committee of the board has authorized a meeting to be closed under another act; or
 - i. A request under the Municipal Freedom of Information and Protection Privacy Act.
- (iii) A meeting begins and ends in public.
- (iv) Before holding a closed meeting, the board or the committee of the board shall pass a motion to hold a closed meeting. The motion shall state:
- a. That the meeting is a closed meeting;
 - b. The general nature of the matter the board or committee is considering at the closed meeting; and
 - c. The reasons the matter requires a closed meeting under subsection (ii) of this section.
- (v) If the matter the board or a committee of the board is considering at a closed meeting no longer falls into one of the categories set out in subsection (ii) of this section, the meeting no longer is a closed meeting and continues in public.

Exception

- (vi) All votes shall be taken in public with the exception that a meeting may be closed to the public during a vote if,
- a. subsection (ii) of this section 4.16 permits or requires the meeting to be closed to the public; and

- b. the vote is for a procedural matter or for giving directions or instructions to officers, employees or agents of the City, to officers, employees or agents of a local board or of a committee of either of them or to persons retained by or under a contract with the City or local board.

4.17 CHAIR. The General Manager of Parks, Forestry and Recreation or her designate will serve as chair of the board in accordance with the designation of the shareholder acting through City Council. 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.

4.18 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 the event of an equality of votes, the chair of the meeting will cast the deciding vote.

4.19 MEETING WITH PARTICIPATION BY REMOTE ACCESS.

- a. Subject to the provisions of subsection (b) of this section, 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 telephone facilities, web camera or any other forms of communication that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously (the "remote communication facilities"), 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.
- b. If the Board wishes to meet by remote communication facilities, or with one or more Board members participating by remote communication facilities, it shall comply with the following requirements:
 - (i) The Board shall give notice of the meeting and the time and place of that meeting in the manner required under this By-law;
 - (ii) At least one member of the Board shall be physically present at the location of the meeting as identified in the notice of the meeting;
 - (iii) The meeting shall be held either at a location within the City of Toronto or a room at the Arena that is equipped with a speaker phone;
 - (iv) The meeting shall be open to the public, except when the Board is discussing matters that may be discussed at a closed portion of the meeting under the terms of this By-law, and

- (v) Minutes of the meeting are taken in the same manner as if all of the participating directors were physically present;
- (vi) Directors should use all reasonable efforts to attend meetings of the Board or committees of the Board in person.

4.20 REMUNERATION. The directors shall not receive remuneration for their work 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 generally shall communicate with its shareholder through the City Manager.

4.22 PERSONS ENTITLED TO BE PRESENT AT MEETINGS. The only persons entitled to be present at a meeting or a portion of 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. Any person providing secretarial services at meetings of the board or any committee of the board are entitled to be present at meetings or portions of meetings that are closed to the public. The City Auditor General or his or her designate also is entitled to attend any board meeting or meeting of any committee of the board. Any other person may be admitted to a closed meeting 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 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 including the portions of those meetings that are not open to the public.

4.24 CONFLICT OF INTEREST – DISCLOSURE OF INTEREST IN CONTRACTS. Every director or officer of the corporation who is party to a material contract or transaction or proposed material contract or transaction with the corporation or is a director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the corporation shall disclose in writing to the corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his or her interest at the time and in the manner required by the Act. Any such contract or proposed contract shall be referred to the board or shareholder for approval even if such contract is one that in the ordinary course of the corporation's business would not require approval by the board or the shareholder, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.

4.25 COMPLIANCE WITH CONFIDENTIALITY POLICIES. The directors shall ensure that at all times the confidentiality requirements imposed by the *Municipal*

Freedom of Information and Protection of Privacy Act of the Province of Ontario together with the regulations made pursuant thereto and any statute or regulations that may be substituted therefore, as amended from time to time are complied with.

Section Five COMMITTEES

5.1 COMMITTEES. The board in its discretion may appoint such committees of the board as it deems appropriate. A Committee may only recommend to the board and may not stand in its place. The board shall not delegate to a committee the power to commit resources of the corporation.

5.2 TRANSACTION OF BUSINESS. The powers of a committee of the board may be exercised in a meeting at which a quorum of members of a committee of the board are present.

5.3 PROCEDURE. Unless otherwise determined by the board, each committee shall have the power (i) to fix its quorum, (ii) to elect its chair, and (iii) to regulate its procedure.

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

Section Six OFFICERS

6.1 GENERAL MANAGER. The board shall appoint a General Manager who shall be responsible for the general supervision of the day-to-day business and affairs of the corporation and shall have such other powers and duties as the board may specify.

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

6.3 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.

6.4 TERMS AND REMUNERATION. The terms of employment and remuneration of all officers appointed by the board, other than those who are directors, shall be determined by resolution of the board.

6.5 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 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 are deposited, or for any loss occasioned by any error in 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, the Regulation, or 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 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 limits 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 7.2 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 under the Act, other applicable laws and regulations, the articles, the by-laws or otherwise to the shareholder, or 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; and 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, an officer, an auditor or a 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 there-under, 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. The initial approval by the shareholder and any amendments made by the shareholder will come into effect at the date of approval of such amendments by the shareholder.

ENACTED as of ____ day of