

R U L E S   O F

**Salal Housing Co-operative**

**June 2019**

Adopted by the Members on the  
18 day of June, 2019.

Approved and filed by  
the Registrar of Companies on the  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

R U L E S   O F

Salal Housing Co-operative

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**1.1 Definitions**

In these Rules:

- [a] **“Act”** means the *Cooperative Association Act* of British Columbia S.B.C. 1999, c. 28, as amended;
- [b] **“Co-op”** means Salal Housing Co-op;
- [c] **“Director”** means any one director of the Co-op;
- [d] **“Directors”** means the directors of the Co-op acting collectively as the board of directors, the “Board”;
- [e] **“Housing Charge”** means Occupancy Charge for the purpose of the Act and is the amount due by the member to the Co-op on a monthly basis on account of occupancy of the Unit and as determined by the Co-op under the Occupancy Agreement;
- [f] **“Memorandum”** means the memorandum of association of the Co-op as filed with the Registrar of Companies;
- [g] **“Occupancy Agreement”** means the form of occupancy agreement attached as Schedule A to these Rules;
- [h] **“Ordinary Resolution”** means
  - [1] a resolution of the members of the Co-op that is passed at a duly called general meeting by a simple majority of the total votes cast by the members who are entitled to vote on the resolution, or
  - [2] a resolution that is submitted to all members who are entitled to vote on the resolution and passed by being consented to in writing by three-quarters of those members;
- [i] **“Policy”** means any policy enacted under Rules 17.2 and 17.3;
- [j] **“Rules”** means these Rules, as amended or replaced from time to time, including every schedule to these Rules;

- [k]     **“Share”** means a membership share of the Co-op;
- [l]     **“Special Resolution”** means
  - [1] a resolution of the members of the Co-op that is passed at a duly called general meeting by a majority of two-thirds of the total votes cast by the members who are entitled to vote on the resolution, or
  - [2] a resolution that is submitted to all members who are entitled to vote on the resolution and passed by being consented to in writing by all of them; and
- [m]     **“Unit”** means the residential premises owned or operated by the Co-op which has been assigned to the member by the Co-op to occupy on a full-time basis.
- [n]     **“Call”** claim or demand for payment of money.
- [o]     **“Lien”** a charge upon real or personal property for the satisfaction of some debt or duty.
- [p]     **“Lot”** making a chance decision by using **lots** (sticks, straws etc.) that are **drawn**

#### **1.2     *Cooperative Association Act definitions apply***

Words that are not specifically defined in these Rules have the meanings assigned to them in the Act.

#### **1.3     *Cooperative Association Act governs***

If there is a conflict or inconsistency between the Act and these Rules, the Act governs.

#### **1.4     *Occupancy Agreement attached as Schedule A***

The terms and conditions of the Occupancy Agreement attached as Schedule A to these Rules shall be binding upon each member and the Co-op with respect to the occupancy of the Unit by the member.

**RULE 2      Eligibility for membership**

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**2.1      Principal membership**

A person who is at least 19 years old may apply for admission as a principal member by submitting a written application for the purchase of Shares of the Co-op (which must not be less than one Share), and any required payment for Shares, each as set by the Directors from time to time.

**2.2      Associate membership**

A person who is at least 19 years old who lives or will live in the Unit with a principal member, on a full-time basis as their principal residence, may apply for admission as an associate member by submitting a written application and payment for the purchase price of one Share.

**2.3      Approval by the Directors**

The Directors may, in their discretion, approve or refuse any application for membership or may postpone making a decision about any application for membership.

**2.4      Eligibility for membership**

Subject to these Rules, eligibility for membership in the Co-operative is open in a non-discriminatory manner to individuals who are able to fulfill the responsibilities and conditions of membership.

**2.5      Effective date of membership**

Membership is effective when:

- [a]      the Directors approve the application for membership;
- [b]      the applicant complies with the occupancy requirements of Rule 2.6; and
- [c]      the applicant purchases the required Shares.

## **2.6 Membership limited to occupants**

Membership in the Co-op is limited to persons who live in the Unit in the Co-op on a full-time basis as their principal residence; however, the Directors may exempt, in their discretion and upon the terms they see fit, an existing member from the application of this Rule.

## **2.7 Number of Units to be occupied by members**

A minimum of 100% of all Units of the Co-op must be occupied by members of the Co-op, unless the Co-op changes the number of Units by an Ordinary Resolution.

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## **RULE 3 Joint membership**

### **3.1 No joint membership**

There shall be no joint membership.

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## **RULE 4 Withdrawal from membership**

### **4.1 Withdrawal from membership**

A member may withdraw from membership in the Co-op:

- [a] by giving to the Co-op at least two full calendar months' written notice calculated from the last day of the month in which the notice is given; or
- [b] with the written consent of the Directors, by giving less than two full calendar months' written notice,

and in each case, membership ceases on the last day of the notice period.

### **4.2 Deemed withdrawal of membership by a member**

Unless the Directors determine otherwise, a member will be deemed to have given notice of withdrawal of their membership if the member:

- [a] surrenders possession of the Unit;

- [b] dies; or
- [c] is an associate member and the principal member in the Unit withdraws or the membership of the principal member is terminated,

and in each case, notice is deemed to have been given when the event occurs and membership ceases two full calendar months later calculated from the last day of the month in which the event occurs.

#### **4.3 Withdrawal of membership with the consent of the Directors**

The Directors may consent to withdrawal from membership in the Co-op by a member under any other circumstances where it seems just and equitable to do so and may agree on the date on which membership ceases.

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### **RULE 5 Termination of membership**

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#### **5.1 Grounds for termination of membership**

Where a member:

- [a] has engaged in conduct detrimental to the Co-op;
- [b] has not paid Housing Charges or any other money due by the member to the Co-op within five days after receiving written notice to do so from the Co-op; or
- [c] in the opinion of the Directors, based on reasonable grounds,
  - [1] has breached a material condition of the Occupancy Agreement; and
  - [2] has not rectified that breach within a reasonable time after receiving written notice from the Co-op to do so,

the membership of that member may be terminated by a resolution of the Directors requiring a majority of at least three-quarters of all the Directors and passed at a meeting of the Directors called to consider the resolution.

#### **5.2 Conduct detrimental to the Co-op**

Conduct detrimental to the Co-op can include, but is not limited to, such things as:

- [a] failure to comply, or failure to ensure compliance by any resident or person visiting the member, with any term or provision of:
  - [1] these Rules or the Occupancy Agreement; or
  - [2] any Policy which may be in effect;
- [b] causing, permitting, or threatening wilful damage to the property or physical premises of the Co-op or the Unit;
- [c] causing, permitting, or threatening violence directed against persons on the Co-op's property;
- [d] unauthorized detention of property of the Co-op;
- [e] causing, permitting, or threatening injury or harm to the reputation of the Co-op; or
- [f] repeated late payments, specifically no more than 3 times per year.

### **5.3 Material conditions of the Occupancy Agreement**

Material conditions of the Occupancy Agreement are those defined as material conditions in the Occupancy Agreement.

### **5.4 Notice of meeting**

A member of the Co-op whose membership is proposed to be terminated by a resolution of the Directors:

- [a] must receive at least seven days' notice of the meeting at which the resolution is to be considered, together with a statement of the grounds on which the member's membership is proposed to be terminated; and
- [b] may appear, either personally or by or with an agent or counsel, to make submissions at the meeting.

### **5.5 Notice of outcome of the meeting**

Within seven days after the date on which a proposed resolution to terminate the membership:

- [a] is withdrawn;
  - [b] is defeated because it does not receive the required majority of three-quarters of all Directors; or
  - [c] is passed by the required majority of three-quarters of all Directors,
- the Directors must
- [d] deliver written notice of the outcome to the member; or
  - [e] if membership is being terminated for non-payment of rent, Housing Charges or other money due by the member to the Co-op, serve written notice of the outcome on the member along with a notice setting out the member's right to appeal the termination to the Supreme Court of British Columbia, as well as copies of such forms as may be prescribed by the Act and the *Cooperative Association Regulation*, as amended from time to time.

## **5.6 Notice of appeal of termination**

If the Directors resolve to terminate a member's membership, the member may, unless the member's membership was terminated for non-payment of rent, Housing Charges or other money due to the Co-op, appeal the termination at the next general meeting of the Co-op by delivering a written notice of appeal to the Co-op within seven days after the date of delivery of the written notice given to the member advising the member of the termination of their membership.

## **5.7 Appeal of termination**

A person whose membership in the Co-op is terminated by the Directors on grounds other than non-payment of Housing Charges or other money due by the member to the Co-op, and who appeals the termination of the membership under Rule 5.6 continues to be a member of the Co-op, despite the resolution of the Directors, unless the members, at the general meeting to which the appeal is brought, confirm the termination of membership:

- [a] by a Special Resolution, if the membership is terminated for "conduct detrimental" of the member, as described in Rules 5.1 and 5.2; or
- [b] by an Ordinary Resolution, if the membership is terminated for a breach of a material condition of the Occupancy Agreement, as described in Rules 5.1 and 5.3.

## **5.8 Confirmation of termination**

If the members of the Co-op confirm the termination of a person's membership by the Directors, the Co-op must promptly notify the person with:

- [a] a notice that the Ordinary Resolution or Special Resolution, as the case may be, confirming the termination was passed by the members; and
- [b] a notice as prescribed by the Act, setting out the person's right to appeal the termination to the Supreme Court of British Columbia, as well as copies of such forms as may be prescribed by the Act and the *Cooperative Association Regulation*, as amended from time to time.

## **5.9 Appeal to the Supreme Court of British Columbia**

If a person's membership is terminated, the person may appeal the termination to the Supreme Court of British Columbia, in the manner provided in the Act:

- [a] within 30 days after the date on which the notice referred to in Rule 5.5 was served on the person if the membership was terminated for non-payment of rent, Housing Charges or other money due to the Co-op;
- [b] within 30 days after the date on which the notice referred to in Rule 5.8 was served on the person if the membership was terminated for any other reason.

## **5.10 Court filing fees**

At the written request of the member appealing the termination, and if the member is not in arrears for any monthly Housing Charge, the Co-op must issue to the member a cheque payable to the Minister of Finance (or to the member for reimbursement), for the amount of the fee required by the Supreme Court of British Columbia to file a notice of appeal of the termination. If there is a dispute between the member and the Co-op respecting the amount of the Housing Charge, then the amount of the Housing Charge for the purposes of this Rule 5.10 must be the amount of that charge that is not in dispute.

## **5.11 Timing of request for filing fees**

The request under Rule 5.10 must be made by the member within ten days after the day the member is served with notice of termination under Rules 5.5 and 5.8. If the member fails to make the request within this time, the Co-op may, but need not, issue the cheque for the filing fee.

## **5.12 Certain sections of the Act and these Rules do not apply**

Sections 156 (i.e. oppression remedy) and 208 (i.e. arbitration) of the Act and Rule 25 of these Rules (i.e. disputes) do not apply to terminations under Rule 5.

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## **RULE 6      Miscellaneous matters re: withdrawal or termination of membership**

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### **6.1      Possession and occupancy rights**

The right of a member, or that of any person residing in the Unit, to possession or occupancy of the Unit is terminated upon withdrawal from membership, termination of membership, or if membership ceases for any other reason.

### **6.2      Refund of amount paid for Shares**

Subject to any liens of the Co-op and the right of the Co-op to set off any amounts due to the Co-op by the member, and subject to the provisions of the Act, a person who withdraws from membership, whose membership is terminated, or whose membership ceases for any other reason, is entitled to a refund of the amount the member paid for Shares if the member:

- [a]      and all other residents of the Unit, have vacated the Unit, and
- [b]      has paid all amounts due by the member to the Co-op.

### **6.3      No release from debts or obligations**

Withdrawal from membership, termination of membership, or cessation of membership for any reason does not release the member from any debt or obligation owed to the Co-op.

### **6.4      Withholding of refund**

The Directors may withhold the refund to which a member may otherwise be entitled until a new member has been admitted to the Co-op.

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**RULE 7      Share structure**

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**7.1      Authorized Share structure**

The authorized Share structure of the Co-op is set out in the Memorandum.

**7.2      No investment shares**

The Co-op will not issue investment shares.

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**RULE 8      Payment for Shares**

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**8.1      Number of Shares to be held**

The Co-op, by Special Resolution, may change the minimum number of Shares a member must hold. If the minimum number of Shares is increased by Special Resolution, each member is deemed to have subscribed for the increased number of Shares and must make any required additional payments for the Shares.

**8.2      Payment for Shares**

Membership Shares are payable on call and may be forfeited for default of payment. All Shares must be paid for in cash.

**8.3      Calls on unpaid amount of Shares**

The Directors may make calls on a member or members for any of the money unpaid on Shares and a call is deemed to have been made at the time when the resolution of the Directors authorizing the call was passed.

**8.4      Interest on unpaid calls**

If a call is not paid on or before the date set for payment, the member from whom the money is due must pay interest on the unpaid amount of the call at the rate of 8% per year from the date set for payment until the date of payment and the interest that accumulates is a debt due to the Co-op. The Directors may waive payment of any or all of the interest due.

## **8.5 Notice requiring payment of call**

If a member fails to pay a call on or before the date set for payment, the Directors may, at any time after that date, deliver a notice on the member requiring payment within 14 days from the date of service of the unpaid amount of the call together with any interest that has accrued. The unpaid amount shall be a debt due to the Co-op.

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## **RULE 9 Share certificates**

### **9.1 No issuing of share certificates**

No share certificates shall be issued.

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## **RULE 10 Transfer of Shares**

### **10.1 Requirements of transfer document**

A transfer document of any Shares in the Co-op must:

- [a] be in writing;
- [b] specify the number of Shares being transferred; and
- [c] be executed and dated both by the transferor and transferee,

and the transferor remains the holder of the Shares until the name of the transferee is entered in the register of members.

### **10.2 Form of transfer**

Shares in the Co-op may be transferred in a form approved by the Directors.

### **10.3 Effective date of transfer of Shares**

A transfer of Shares does not take place until:

- [a] a properly executed transfer document has been delivered to the Co-op;

- [b] any lien of the Co-op on the Shares has been satisfied;
- [c] the transfer has been authorized by the Directors, who in their discretion may approve or refuse; and
- [d] the name of the transferee is entered in the register of members.

## **RULE 11      Death of a member**

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### **11.1      Procedure on death of a member**

The person entitled to the Shares of a deceased member, on providing proof satisfactory to the Directors of the death of the member and the person's entitlement, may:

- [a] if the person is not a member but is residing in the Unit as their principal residence on a full-time basis, apply under Rule 2 for membership in the Co-op;
- [b] if the person is an associate member, and subject to Rule 2, requests that the Directors register the Shares of the deceased principal member in the name of the associate member; or
- [c] apply to the Directors to redeem the Shares.

### **11.2      Redemption of Shares of a deceased member**

If the person entitled to the Shares of a deceased member does not qualify for membership under Rule 2 or the Directors do not approve the transfer of Shares to that person, the Co-op must, subject to the provisions of the Act and of the Rules, redeem those Shares.

## **RULE 12      Redemption of Shares**

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### **12.1      Co-op authorized to redeem its Shares**

Subject to the Act, the Co-op may, by a resolution of the Directors, redeem any of its Shares at a price and on the terms specified by the resolution.

## **12.2      Redemption of Shares on cessation of membership**

Subject to these Rules and the Act, the Co-op must redeem the Shares of a person who withdraws from membership, whose membership is terminated, or whose membership ceases for any reason.

## **12.3      Amount paid on redemption**

On redemption of a member's Shares by the Co-op, the amount paid to the member shall not exceed the amount paid up on the Shares.

## **12.4      Lien on Shares**

The Co-op shall have a lien on a member's Shares for a debt or any other amount whatsoever due to the Co-op by the member and the lien will extend to the proceeds of any redemption of the Shares.

## **12.5      Redemption to satisfy a debt due to the Co-op**

Despite any other provisions of this Rule, the Directors may, upon 30 days' written notice to a member, cause the Co-op to redeem all or a sufficient number of the Shares of the member to satisfy the lien of the Co-op.

## **12.6      Debt to be satisfied first**

Upon any redemption of Shares, the Directors must apply the proceeds of the redemption in satisfaction of the lien of the Co-op and any surplus or excess from the proceeds will be paid to the member or other person entitled to the Shares.

## **12.7      Balance of member's debt**

If the amount realized on the redemption of Shares is insufficient to fully satisfy the lien of the Co-op, any balance of debt shall be due and payable by the member immediately upon notice.

## **RULE 13 Register of members**

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### **13.1 Register must be kept and maintained**

The Co-op must keep and maintain a register of members which shall contain the following:

- [a] the names and addresses of the members, the number of Shares held by each member and the amount paid on each Share;
- [b] the date on which the name of any person was entered in the register as a member; and
- [c] the date on which any person ceased to be a member.

## **RULE 14 General meetings of the Co-op**

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### **14.1 The Annual General Meeting**

The Co-op must hold an Annual General Meeting at least once each calendar year. The meeting must take place not later than four months after the fiscal year end of the Co-op, but the Registrar may approve of the meeting being held on a suitable date close to the date when the meeting ought to have been held.

### **14.2 Business of the Annual General Meeting**

At each Annual General Meeting, and subject to the Act, the following business must be considered:

- [a] report of the Directors;
- [b] financial statement;
- [c] auditor's report;
- [d] election or appointment of Directors; and
- [e] appointment of an auditor.

### **14.3 Order of business**

The order of business at the Annual General Meeting, to the extent appropriate in the circumstances and subject to the approval of the members at the meeting, must be as follows:

- [a] call to order;
- [b] approval or variation of agenda;
- [c] minutes of preceding meeting to be disposed of;
- [d] business arising out of minutes;
- [e] financial statements;
- [f] report of the auditor;
- [g] appointment of the auditor;
- [h] report of the Directors and any committees;
- [i] election of Directors;
- [j] other business properly coming before the meeting; and
- [k] close of meeting.

### **14.4 Frequency of general meetings**

In addition to the Annual General Meeting, the Directors must call at least two other general meetings each year to review the business and operations of the Co-op and any other business as may be brought before the meeting, on a day and at an hour and place determined by the Directors in their discretion.

### **14.5 Calling of special general meetings**

The Directors may call a special general meeting when they think fit and must call a special general meeting when requisitioned to do so in accordance with the Act.

**14.6 Order of business at general meetings other than the Annual General Meeting**

The Directors may, subject to the approval of the members at the general meeting, determine the order of business at a general meeting, other than the Annual General Meeting, which is governed by Rule 14.3.

**14.7 Time and place of general meetings**

General meetings must be held at the time and place in British Columbia that the Directors specify.

**14.8 Notice of meeting to be given**

Every member and the auditor must receive:

- [a] at least 14 days' notice of every Annual General Meeting of the Co-op and of every general meeting at which a Special Resolution is to be proposed; and
- [b] at least seven days' notice of any other type of general meeting.

**14.9 Notice must specify**

The notice of meeting must specify:

- [a] the place, day, and the hour of the meeting; and
- [b] the general nature of the business to be considered at the meeting.

**14.10 Notice of Special Resolution**

If a Special Resolution is to be proposed at a general meeting, the notice of the meeting must include the full text of the Special Resolution. At the meeting, amendments to the text of the Special Resolution shall not be permitted unless the notice of the meeting states that amendments may be considered and voted upon by the members at the meeting.

**14.11 Financial statement**

A copy of the financial statement that is to be placed before the Annual General Meeting must be provided to the members in advance of the date of the meeting.

#### **14.12 Meeting valid despite failure to give notice**

The accidental omission to give notice of any general meeting to, or the non-receipt of any notice by, a member or person entitled to receive notice, or any error or omission in the notice does not in itself invalidate any proceedings at that meeting.

#### **14.13 Requirement for quorum**

No business, other than the election of a chair and the close of the meeting, may be transacted at any general meeting unless:

- [a] a quorum of 30% of the primary members or the associate members who are entitled to vote are present in person at the commencement of the meeting; and
- [b] at all times not less than **three** members are personally present.

#### **14.14 Lack of quorum**

If within 15 minutes from the time appointed for a general meeting a quorum is not present, the meeting is dissolved.

#### **14.15 Adjournment of a meeting at which quorum is present**

The chair of the meeting may, and if so directed by the members must, adjourn a meeting at which quorum is present from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **14.16 Chair**

Every general meeting will be chaired by:

- [a] the president; or
- [b] the vice-president, if the president is absent, unable, or unwilling to chair the meeting,

unless the majority of the Directors choose another person, who need not be a member, to be the chair.

#### **14.17 If no chairperson**

If there is no such chairperson present within 15 minutes after the time appointed for holding the meeting, the members present at a general meeting must elect a member to chair the meeting.

#### **14.18 Recording secretary**

The Directors must appoint a recording secretary, who need not be a member, for the general meetings.

#### **14.19 Minutes of meetings**

The minutes of all resolutions and proceedings at a general meeting must be filed in the books provided by the Directors for that purpose.

#### **14.20 Persons entitled to be present at general meetings**

The only persons entitled to be present at a general meeting are members, the auditor of the Co-op, and others who are entitled or required under any provisions of the Act or these Rules. Other persons may be admitted to the meeting only on the invitation of the chair or with the consent of the members at the meeting.

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### **RULE 15 Voting at general meetings**

#### **15.1 Actions to be determined by Ordinary Resolution**

At a general meeting, every motion must be determined by Ordinary Resolution unless otherwise required by the Act or these Rules.

#### **15.2 Chair not entitled to casting vote**

In case of an equality of votes,

- [a] the chair of a general meeting is not entitled to a second or casting vote; and
- [b] the motion is defeated.

### **15.3 Decisions by show of hands or secret ballot**

Unless otherwise provided in the Act or these Rules, every motion for a resolution put to a vote at a general meeting is to be decided on a show of hands unless, before the vote is taken, the chair designates, or three or more members request, a secret ballot.

### **15.4 Declaration of result**

The chair must declare to the general meeting the decision on every motion in accordance with the result of the show of hands or the secret ballot, and that decision must be entered in the minutes of the meeting.

### **15.5 Declaration is proof**

Unless a secret ballot is required or demanded, a declaration by the chair of the decision on a motion and an entry in the minutes to that effect, in absence of evidence to the contrary, shall be conclusive evidence of the result.

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## **RULE 16 Voting rights of members**

### **16.1 Voting rights**

Each Principal or Associate member (in the absence of the Principal Member) per unit will have one vote on all matters to be decided by the members.

### **16.2 Call on Shares**

A member with an unpaid call on the member's Shares may not exercise any right to vote.

### **16.3 Proxy voting**

There will be no proxy voting.

### **16.4 Production of evidence of authority to vote**

The chair of any meeting may, but need not, inquire into a person's entitlement to vote at the meeting and may make a determination as to the person's entitlement to vote.

**17.1 Duties of Directors**

The Directors must manage or supervise the management of the business of the Co-op in accordance with the responsibilities, duties, and powers set out in the Act, the Memorandum of the Co-op and these Rules and may exercise all the powers of the Co-op that are not required by the Act or the Rules to be exercised by the members.

**17.2 Policies**

The Directors may propose Policies or Policy amendments with respect to:

- [a] the operation and maintenance of the Co-op; and
- [b] the conduct of members and other persons in relation to the use and enjoyment of the Co-op and its property including the residential premises operated by the Co-op.

**17.3 When Policies take effect**

The Policies or amendments do not take effect until approved by an Ordinary Resolution at a general meeting.

**17.4 Number of Directors**

The number of Directors will not be less than five and no more than seven.

**17.5 Persons disqualified to act as Directors**

No person may become a Director or continue to be a Director if that person or Director:

- [a] is under the age of 19 years;
- [b] is found by a court, in Canada or elsewhere, to be incapable of managing their own affairs;
- [c] is an undischarged bankrupt;
- [d] is convicted of an offence in connection with the promotion, formation, or

management of a corporation or of an offence involving fraud;

- [e] is not a member of the Co-op;
- [f] is indebted to the Co-op for any amount.
- [g] has a term of office that has expired in accordance with the Act or these Rules;
- [h] is removed in accordance with Rule 18.11;
- [i] dies;
- [j] resigns in writing;
- [k] ceases to live in the Unit on a full-time basis as their principal residence;
- [l] is absent from **three** consecutive regular meetings of the Directors without the consent of the Directors;
- [m] resides with a person who is serving as a Director at the same time, in which case the office of the Director last elected or appointed will be vacated;
- [n] has entered into a contract directly with the Co-op as an employee or contractor, **unless the Director complies with the provisions of the Act respecting disclosure and conflict of interest**;
- [o] is a shareholder, director, or employee of a corporate entity with which the Co-op enters into a contract, **unless the Director complies with the provisions of the Act respecting disclosure and conflict of interest**; or
- [p] resides with or is related by blood or marriage to a person who accepts a position as an employee **or contractor** of the Co-op.

## 17.6 Declaration of qualifications to act

Before standing for election or appointment to serve as a Director, every person must declare in writing or in person at the meeting at which the election or appointment takes place that they consent to serve as a Director and that they are qualified to act as a Director.

## **17.7 Remuneration**

Directors will serve without remuneration and a Director must not receive, directly or indirectly, any profits from their position as Director but, in accordance with Policies approved by the members, a Director may be paid reasonable expenses incurred in the performance of their duties as Director.

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## **RULE 18 Election, appointment and removal of Directors**

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### **18.1 Election at Annual General Meeting**

At every Annual General Meeting, the Directors will be elected to fill the vacancies of Directors whose terms are expiring and any other vacancies as may then exist.

### **18.2 Nomination of candidates**

A member may nominate a candidate for Director, or a member may volunteer to be a nominee for Director, either before or at a meeting at which Directors are to be elected. A member who is not present at the meeting may not be nominated unless that member has consented in writing to act as a Director.

### **18.3 Election procedure if there are more candidates than vacancies**

If the number of candidates in an election for Directors exceeds the number to be elected:

- [a] there must be an election by secret ballot;
- [b] members must vote for the same number of candidates as there are Directors to be elected; and
- [c] the chair must declare elected the candidates receiving the highest number of votes up to the number of Directors to be elected.

### **18.4 Election procedure if there are not more candidates than vacancies**

If the number of candidates in an election for Directors is equal to or less than the number of Directors to be elected, those nominated are declared elected and no election is required.

#### **18.5 Terms decided by number of votes**

If the positions to be filled by election are for different terms, the chair shall declare the candidates receiving the highest number of votes elected to serve for the longer terms. If the chair is unable to do so because two or more candidates received an equal number of votes, those candidates may agree on who will serve the longer term, but if they cannot agree, their terms shall be decided by lot.

#### **18.6 If two or more candidates receive equal number of votes for last vacancy**

If two or more candidates receive an equal number of votes for the last vacancy on the Board, those candidates may agree on who will fill the vacancy, but if they cannot agree, there will immediately be a run-off election by secret ballot between those candidates. If the run-off election results in a tie vote, the last vacancy shall be decided by lot.

#### **18.7 When term of office of Directors ends**

The term of office of a Director ends at the end of the Annual General Meeting at which a replacement is to be elected.

#### **18.8 Term of office of Directors**

In the election of Directors, the Directors must each be elected for a term of:

- [a] one year, if the Director is completing the term of a Director who vacated their office in the first year of their two-year term; or
- [b] two years, in a manner to ensure that no more than a simple majority of Directors is elected for a term of two years at any Annual General Meeting.

#### **18.9 Further terms of office of Directors**

A Director must not serve as such for greater than three consecutive two-year terms or portions thereof, and the Director may again serve after an absence of at least one year. For the purpose of this Rule, a year means the period between Annual General Meetings. If a Director reaches the limit described above at any time during a term for which the Director was duly elected or appointed, the Director may continue to serve for the balance of that term. The limit described above includes terms served prior to the adoption of this Rule.

## **18.10 Vacancies on the Board**

Despite any vacancy on the Board,

- [a] if and so long as the number of continuing Directors constitutes a quorum of the Board, the continuing Directors may:
  - [1] continue to function without filling the vacancy; or
  - [2] appoint a qualified member to fill the vacancy; or
  - [3] call a general meeting and hold a by-election to fill the vacancy;which new Director in either case will hold office for the balance of the term of the vacating Director; or
- [b] if the number of continuing Directors does not constitute a quorum of the Board, the continuing Directors may appoint qualified members as Directors for the purpose of increasing the number of Directors for the sole purpose of calling a general meeting in order to hold a by-election by secret ballot to fill the vacancy.

## **18.11 Removal of Director**

A Director may be removed before the expiration of the Director's term of office by a Special Resolution. The Director, if any, who is to fill the vacancy, must be elected by the members at a general meeting. A Director who is removed from office pursuant to these Rules:

- [a] may not run again for office at the next general meeting at which there is an election of Directors; and
- [b] may not be appointed by the Directors for **one year** after removal from office.

## **18.12 Validity of acts of Directors**

Every act of a Director of the Co-op is valid, despite any defect in the Director's appointment, election, or qualification.

## **RULE 19      Meetings of Directors**

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### **19.1      Regulation of meetings**

Subject to the Act and these Rules, the Directors may meet together to conduct business, adjourn, and otherwise regulate their meetings, as they consider appropriate.

### **19.2      Time and place of meetings**

Meetings of the Directors must be held at the time and place in British Columbia that they determine is appropriate, and if they don't determine the time and place, the president or any two Directors may make that determination.

### **19.3      Who may call meetings**

The president may, and the secretary of the Co-op on the written request of three Directors must, call a meeting of the Directors at any time.

### **19.4      Quorum of the Board**

The quorum necessary for the transaction of business may be fixed by the Directors, and unless so fixed shall be three.

### **19.5      Meeting valid despite failure to give notice**

The accidental omission to give notice of any meeting of the Directors to, or the non-receipt of any notice by, a Director does not in itself invalidate any proceedings at that meeting.

### **19.6      Chair**

Every meeting of the Directors will be chaired by:

- [a]      the president; or
- [b]      the vice-president, if the president is absent, unable, or unwilling to chair the meeting,

unless the majority of the Directors choose another person who need not be a member, to be the chair.

#### **19.7 Voting at meetings**

Questions arising at any meeting of the Directors are to be decided by a majority of votes, unless the Act or these Rules require otherwise, and in the case of an equality of votes,

- [a] the chair of the Directors' meeting is not entitled to a second or casting vote; and
- [b] the motion is defeated.

#### **19.8 Minutes of the Directors' meetings**

The Directors must cause minutes of the following to be filed in books provided for the purpose:

- [a] all appointments of officers made by the Directors;
- [b] the names of the Directors present at each meeting of Directors or of any committee of Directors; and
- [c] all resolutions and proceedings at all meetings of the Directors, or any committee of Directors.

#### **19.9 Recording Directors' attendance at meetings**

A Director who is present at a meeting of the Directors or of a committee of Directors must have their attendance noted in the minutes or sign their name in a book kept for that purpose, but a failure to note or sign does not invalidate the meeting.

#### **19.10 Transaction of business by written resolution**

A resolution of the Directors consented to in writing by all Directors shall have the same force and effect as if passed at a duly constituted meeting of the Directors and the written consent of the resolution must be kept with the minutes of proceedings of the Directors.

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**RULE 20      Committees of Directors and advisory committees**

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**20.1      Committees of Directors**

The Directors may delegate any of their powers to committees consisting of one or more Directors as they think fit and any committee to whom powers are delegated shall, in the exercise of its powers so delegated, conform to any policies that may be imposed by the Directors and must keep the records required of them under Rule 19.8.

**20.2      Advisory committees**

The Directors only may appoint advisory committees consisting of a member or members of the Co-op and may assign duties and responsibilities to those committees that are not inconsistent with the Act and these Rules and may make policies governing their conduct.

**20.3      Duty of advisory committees to report to the Directors**

Advisory committees report to, and serve at the pleasure of, the Directors, and must cause minutes of the following to be filed in books provided for the purpose:

- [a]      the names of those present at each meeting of the advisory committee; and
- [b]      all proceedings at all meetings of the advisory committee, and those minutes must be made available to the Directors on request.

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**RULE 21      Officers**

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**21.1      Appointment of officers**

The Directors must appoint, by resolution, a president, a vice-president, a treasurer, and a secretary of the Co-op from among the Directors.

**21.2      Powers and duties of officers**

Subject to the Act, the Directors may specify the powers, duties, and responsibilities of the officers, and may vary, add to, or limit the powers, duties, and responsibilities of any officer.

### **21.3 Remuneration and term of office of officers**

Officers will serve without remuneration and the term of office of an officer will be determined by resolution of the Directors.

### **21.4 Removal of an officer from their position**

The Directors, at their discretion, may remove any officer from their position by a resolution of the Directors.

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## **RULE 22 Disclosure and conflict of interest rules for Directors and officers**

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### **22.1 The Act prevails**

The Directors and officers are governed by the disclosure and conflict of interest provisions set out in the Act.

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## **RULE 23 Indemnification of Directors and officers**

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### **23.1 Indemnification**

The Co-op must indemnify the Directors and officers in accordance with the Act.

### **23.2 Insurance**

The Directors may cause the Co-op to purchase and maintain insurance for the benefit of a Director or officer of the Co-op or the heirs or other legal representative of the Director or officer against any liability that may be incurred by reason of the Director or officer being or having been a Director or officer of the Co-op.

**24.1      Security may be required**

Every Director, officer, member, or employee of the Co-op having receipt or charge of money must, before entering upon their duties, give such security as may from time to time be deemed necessary by the Directors.

**24.2      Non-disclosure of personal information**

Every Director, officer, member, agent, or employee of the Co-op must not disclose personal information pertaining to a member, former member, prospective member, or tenant to any person except:

- [a] Directors, officers, committees, employees, agents, managers, or advisors of the Co-op for use in connection with their official duties;
- [b] those legally entitled to the information; and
- [c] at a general meeting at which a member is appealing a decision of the Directors of the Co-op to terminate the member's membership and the information relates to the termination.

**24.3      Borrowing powers**

The Directors may, at their discretion, raise or borrow money for the purposes of the Co-op, on behalf of the Co-op, and secure payment thereof in any manner which they see fit, whether by charge upon any or all of the assets of the Co-op, both real or personal, present or future, or otherwise.

**24.4      Restrictions**

If any security proposed to be given in the exercise of the borrowing powers described in Rule 24.3 is intended to charge the whole or substantially the whole of the undertaking of the Co-op, the borrowing power must not be exercised by the Directors without the authority of a Special Resolution.

#### **24.9 Investment powers**

The Directors must invest and deal with any part of the funds of the Co-op in such manner as they think fit provided that the Directors must not invest any part of the funds of the Co-op other than:

- [a] in a security or class of securities in which trustees are permitted to invest trust funds under the *Trustee Act*, or
- [b] by deposit in a savings institution in which deposits may be made by trustees under the *Trustee Act*.

#### **24.10 Appointment of an auditor**

Unless the appointment of an auditor has been waived by the members in the manner set out in the Act, the Co-op must appoint an auditor or firm of auditors, meeting the qualifications provided in the Act, by Ordinary Resolution at every Annual General Meeting. If an appointment is not made at that meeting, the auditor in office continues as auditor until a successor is appointed.

#### **24.11 Restriction on who may be auditor**

No Director, officer, or member of the Co-op may be appointed or may act as auditor.

#### **24.12 Provisions of the Act in respect of the auditor**

The Co-op must comply with the other provisions in respect of the auditor as set out in the Act.

#### **24.13 Accounting records**

The Directors must cause accounts to be kept in accordance with the Act.

#### **24.14 Location of books of account**

Subject to Rule 24.2, the books of account must be kept at the registered office of the Co-op, or at such other place or places as the Directors see fit.

#### **24.15      Inspection of books of account**

Subject to Rule 24.2, the books of account shall at all reasonable times be open to the inspection of the Directors. The Directors may determine to what extent, at which times and places and under what conditions the books of account must be open to the inspection of members.

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### **RULE 25      Member disputes**

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#### **25.1      Initiation**

A member wishing to initiate a resolution of a dispute with another member may submit the dispute in writing to the Co-op if the dispute involves a complaint about a breach of the Rules, Occupancy Agreement or Policies by another member or person for whom the other member is responsible.

#### **25.2      Response**

Upon receipt of the written dispute, the Co-op must review the dispute and may try to promptly resolve the dispute by asking the parties to participate in:

- [a]      one-on-one meetings;
- [b]      conflict resolution or mediation between the parties involved; and/or
- [c]      arbitration.

#### **25.3      Does not apply to terminations of membership**

None of the provisions of this Rule 25 apply to the termination of the membership of a member under Rule 5. Nothing within this Rule 25 prevents the Co-op from exercising its rights or remedies under Rule 5.

**26.1** **Notices to members and other persons**

Any notice or document under these Rules to be delivered to or served upon a member, or any other person must be in writing and is sufficiently given if it is:

- [a] delivered personally by a Director and a witness;
- [b] placed in a mail receptacle assigned to the Unit or in a mail receptacle at or on the principal entrance to the Unit or placed through or affixed to the principal entrance to the Unit;
- [c] delivered or mailed by prepaid mail to the person's last known address, as recorded in the Co-op's register of members or other record of the Co-op;

**26.2** **Notice to the Co-op**

Any notice or document under these Rules to be delivered or served upon the Co-op must be in writing and is sufficiently given if it is:

- [a] left at the registered office of the Co-op;
- [b] mailed by registered mail to the registered office of the Co-op; or
- [c] personally served on a Director of the Co-op.

**26.3** **Deemed receipt if sent by mail**

A notice or document may be delivered or served by addressing, prepaying and mailing the notice or document by ordinary mail, and shall be deemed received on the second day, Saturdays, Sundays, and holidays excepted, after the date of mailing.

**26.4** **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 date of giving notice must be excluded and the date of the meeting or other event must be included.

**26.5 Deemed receipt if sent by facsimile or email**

A notice or document delivered or served by facsimile or email shall be deemed received on the day after the date the notice or document was sent by facsimile or email.

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**RULE 27 Execution of documents and other instruments**

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**27.1 Execution of documents**

Documents and other instruments may be executed by the Directors or other persons so authorized by resolution of the Directors.

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**RULE 28 Alteration of Memorandum or Rules**

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**28.1 Alteration of Memorandum or Rules**

Amendments to the Memorandum and the Rules of the Co-op must be in accordance with the Act and these Rules.

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**Note on dissolution of the Co-op**

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The Co-op's existing dissolution provision originally filed with the Registrar remains in force under section 173 of the *Cooperative Association Act*.