

FORESTWOOD CO-OPERATIVE HOMES INC.

BY-LAW I

**GENERAL BY-LAWS OF
FORESTWOOD CO-OPERATIVE HOMES INC.**

RECORD OF ENACTMENT BY THE CO-OPERATIVE

This By-Law replaces By-Law Number I passed on October 10th, 2001.

This By-Law was passed by the Board of Directors of FOREST WOOD CO-OPERATIVE HOMES INC. on the 21st day of September 2001, and then forwarded to the Membership for final decision.

This By-Law was confirmed by at least two-thirds of the votes cast by the General Members of FORESTWOOD CO-OPERATIVE HOMES INC. at a meeting called for that purpose on the 25th day of September 2002.

This By-law was discussed and amended by the By-Law Review Committee of FOREST WOOD CO-OPERATIVE HOMES INC. on the day of January 2006, and then forwarded to the Board of Directors on January 24", 2006 for consideration.

This By-Law was passed by the Board of Directors of FORESTWOOD CO-OPERATIVE HOMES INC. on the 24th day of January 2006, and then forwarded to the Membership for final decision.

This By-Law was confirmed by at least two-thirds of the votes cast by the General Members of FORESTWOOD CO-OPERATIVE HOMES INC. at a meeting called for that purpose on the 15th day of February 2006.

This By-Law was passed with amendments in Article 4 by the Board of Directors of FORESTWOOD CO-OPERATIVE HOMES INC. on the 14th day of October 2009, and then forwarded to the Membership for final decision where it was approved on Annual General Members Meeting part "A" on the 28th day of October 2009.

This By-law was passed by the Board of Directors of Forestwood Co-operative Homes Inc. on the 12th day of March, 2010.

This By-Law was confirmed by a Board of Directors and at least two-thirds of the votes cast by the General Members of Forestwood Co-operative Homes Inc. at a meeting called for that purpose on the 31st day of March, 2010.

Ken Petro
Authorized Signing Officer

Jana Danisova
Authorized Signing Officer

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Article 1: Interpretation

- 1.1 In these By-Laws and elsewhere, FORESTWOOD CO-OPERATIVE HOMES INC. may be referred to as “the Co-operative” or “the Co-op”.
- 1.2 In all By-Laws of the Co-operative, the singular shall include the plural and the plural the singular; the masculine shall include the feminine and the feminine the masculine; and the word “person” shall include firms and corporations where applicable.
- 1.3 In all By-Laws of the Co-operative, wherever reference is made to the Social Housing Reform Act and/or the Co-operative Corporations Act or any statute or section thereof, such reference shall be deemed to extend and apply to any amendment to said statute or section, as the case may be.

Article 2: General

- 2.1 This By-Law shall prevail over any other By-Law, resolution or policy of the Co-operative whether existing or enacted in the future. Where the terms of any other By-Law, resolution or policy of the Co-operative contradict or are inconsistent with this By-Law, this By-Law shall always prevail, and the other terms shall be inoperative to the extent of such contradiction or inconsistency whether the contradiction or inconsistency arises on or after the enacting of the other By-Law.

If there is a further conflict between documents, the following will govern in the order in which they appear:

- First, the Social Housing Reform Act and the Co-operative Corporations Act.
 - Second, the Articles of Incorporation.
 - *Third, the Personal Information and Protection Electronic Documents (PIPED) Act.*
 - Forth, By-Law I, The General By-Law.
 - Human Rights Code
- 2.2 The head office of the Co-operative shall be located at the City of Mississauga in the Regional Municipality of Peel in the Province of Ontario and at such place therein as the Directors may from time to time determine.
 - 2.3 The corporate seal of the Co-operative shall have inscribed thereon the words FORESTWOOD CO-OPERATIVE HOMES INC., and the seal impressed in the margin of By-Laws is hereby adopted as the corporate seal of the Co-operative.

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Article 3: Membership

- 3.1 Membership in the Co-operative shall consist of those persons whose written applications for membership, accompanied by such non-returnable membership fee as is prescribed in the articles, have been approved by the Board of Directors.
- 3.2 Membership in the Co-operative is limited to residents of the Co-operative excepting those members of the Board of Directors elected or appointed prior to the first residents moving into the Co-operative who may remain as members until the expiration of their term as directors.
- 3.3 Resident children of Co-operative Members who become eighteen (18) years of age will be expected to apply for Co-operative membership. Residents who are sixteen (16) or seventeen (17) years old may apply for membership subject to paragraph 3.1.
- 3.4 The Directors may accept or refuse to accept any application without giving reasons after credit check and rental history check, and if the application is not accepted, any payment forwarded with it shall be refunded without interest.
- 3.5 The Co-operative shall require from each applicant accepted for membership in the Co-operative a Security Deposit (Maintenance Deposit) equivalent to one (1) month's Housing Charge. The Security Deposit (Maintenance Deposit) is not to be used for a last month's Housing Charge if and/or when the Member leaves the Co-operative permanently.
 - a) Any Security Deposit (Maintenance Deposit) required of rent –geared-to-income (RGI) occupants, whether or not such occupants are members, shall be a maximum of one full month's housing charge;
 - b) Any occupants will be permitted to pay any Security Deposit (Maintenance Deposit) or deposit over a reasonable period of time if paying it in the lump sum would cause financial hardship for the occupant.
- 3.6 Membership in the Co-operative shall not be transferable and shall terminate with death.
- 3.7 Termination of membership in the Co-operative, whether by withdrawal or expulsion shall be conducted in accordance with the procedures set out in the Co-operative Corporations Act and the By-Laws and Policies of the Co-operative.
- 3.8 If a member fails to pay his/her housing charge or other charges owing to the Co-operative as required, and if that member has a Security Deposit (Maintenance Deposit) with the Co-operative, the Directors may at such time order that the amount of the member *Security Deposit (Maintenance Deposit)* up to the amount of indebtedness be applied to the overdue account of the member. Any monies so applied shall be deemed to be payment to the member on account of the Security Deposit (Maintenance Deposit).

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Article 4: Meetings of Members

- 4.1 The Co-operative shall hold annual meetings of its members the first of which shall be held not later than eighteen (18) months after incorporation of the Co-operative, and subsequently annual meetings shall be held not more than four (4) months after the last day of the fiscal year.
- 4.2 The annual meeting of the members shall be held at the head office of the Co-operative or at such place in the City of Mississauga in the Regional Municipality of Peel in the Province of Ontario, as the Directors may determine. *The annual meeting of the members will be held in two (2) parts, Part “A” will be the last Wednesday in October and Part “B” will be the second Wednesday in November.*
- 4.3 The purpose of Part “A” of the annual meeting of the members shall be:
- (a) To lay before the members a comparative financial statement relating separately to:
 - (i) The period that began on the date of incorporation and ended not more than five (5) months before the annual meeting or if the Co-operative has completed a financial year and ended not more than five (5) months before the annual meeting, as the case may be; and, financial year; or,
 - (ii) The period covered by the financial year next preceding such latest completed financial year, if any;
 - (b) To receive the report of the auditor to the members;
 - (c) To appoint the auditor; and
 - (d) To transact such other business as may properly be brought before an annual meeting of the members.
 - (e) *To lay before the members all Committee, Staff, and Board of Directors written reports.*
 - (f) *Part “A” will then be recessed or adjourned for two (2) weeks time.*
- 4.4 The purpose of Part “B” of the annual meeting of the members shall be:
- (a) To elect Directors to the Board of Directors;*

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- 4.5 Other meetings of the members may be called by the order of the President, Vice-President, or the Directors at any time and at any place within the City of Mississauga in the Regional Municipality of Peel, in the Province of Ontario.
- 4.6 (a) Five percent (5%) of the members of the Co-operative may requisition the Directors to call a special meeting of the members for any purpose connected with the affairs of the Co-operative that is not inconsistent with the Co-operative Corporations Act.
- (b) The requisition shall state the general nature of the business to be presented at the meeting and shall be signed by the requisitionists and deposited at the head office of the Co-operative and must consist of documented proof of the nature of the business and/or complaint, each signed by one or more requisitionists.
- (c) Upon deposit of the requisition the Directors shall call forthwith the meeting for the transaction of the business stated in the requisition.
- (d) The Directors shall not be obliged to call a special meeting if a meeting of the members has already been scheduled for a date within thirty (30) days of the deposit of the requisition and if the business which is the subject of the requisition is placed on the agenda of the scheduled meeting.
- (e) If within thirty (30) days from the date of the deposit of the requisition the Directors do not call and hold the meeting, any of the requisitionists may call such meeting, which shall be held within sixty (60) days from the date of the deposit of the requisition.
- (f) A meeting called under this section shall be called as nearly as possible in the same manner as meetings of members are called under the By-Laws.
- (g) If a separate meeting of the members is convened by requisition, only the business stated in the notice calling such meeting may be transacted.
- (h) If at a special meeting of the members convened by requisition the requisite quorum is not present within thirty (30) minutes of the time for which the meeting is called; the meeting shall be dissolved.
- (i) Any reasonable expenses incurred by the requisitionists because the Directors failed to call such meeting shall be repaid to the requisitionists by the Co-operative unless the members, by a majority of the votes cast at the meeting, reject the reimbursement of the requisitionists.
- 4.7 Notice of any annual or other meeting of the members shall be deemed to be sufficiently given if such notice is hand delivered or sent by prepaid post letter addressed to each member at his/her residence, or at his/her address as entered in the records of the Co-operative and mailed or delivered at least ten (10) days but no more than fifty (50) days prior to the date fixed for the holding of such meeting.

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- 4.8 When notice is received generally by the members, the accidental omission to give notice to any member or the fact that any member did not receive such notice shall not invalidate any resolution passed or any proceedings taken at such meeting.
- 4.9 Voting by proxy shall not be permitted. Only members of the Co-operative are eligible to vote at a meeting of the members. Persons wishing to vote must provide personal identification establishing their membership in the Co-operative in order to be able to vote. The Co-operative shall prepare a list of persons eligible to vote prior to each meeting of members at which a Director or Directors are to be elected and members shall be provided with an opportunity to inspect such list prior to the meeting. Modifications may be made to correct errors or omissions in the list.
- 4.10 Two (2) members present in person shall be a quorum for any meeting of members for the choice of a chairperson and the adjournment of the meeting. For all other purposes a quorum for any meeting shall be FORTY-FIVE (45) MEMBERS or TEN PERCENT (10%) of the members whichever is the lesser, present in person. No business shall be transacted at any meeting unless the quorum requisite be present.
- 4.11 If at any annual or other general meeting of the members a quorum is not present within thirty (30) minutes of the time for which the meeting is called, a presiding officer shall adjourn the meeting to a date not less than seven (7) days and not more than fifteen (15) days thereafter.
- 4.12 Notice of the adjourned meeting shall be given by the Secretary in the manner herein provided five (5) days previous to the date of the adjourned meeting.
- 4.13 The decision of the adjourned meeting shall be binding upon the Co-operative provided that at least two (2) members are present.

Article 5: Board of Directors

- 5.1 The business of the Co-operative shall be under the direction and control of the Board of *nine (9)* Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Co-operative and are not by the By-Laws of the Co-operative or the statute expressly directed or required to be done by the Co-operative at meetings of the members.
- 5.2 The term of each Director elected to the Board of Directors shall be two (2) years.
- 5.3 *At each Annual meeting held in an even numbered year five (5) Directors shall be elected. if there are more than five (5) positions available on the Board, the five (5) candidates receiving the most votes shall serve a two (2) year term, and the remaining positions will be filled by candidates receiving the next highest number of votes, and the term shall be for one (1) year. At each Annual meeting held in an odd numbered year four (4) Directors shall be elected. If there are more than four (4) positions available on the Board, the four (4) candidates receiving the most votes shall serve a two (2) year term, and the remaining positions will be filled by candidates receiving the next highest number of votes, and the term shall be for one (1) year.*

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- 5.4 A person shall not be eligible for nomination as a Director unless such person at the time of such nomination:
- (a) Is a member in good standing, as defined in By-Law 4, Schedule 1, of the Co-operative for at least one (1) calendar year prior to the close of nominations;
 - (b) Is at least 18 years old
 - (c) Is not an undischarged bankrupt at the time of nomination and was not in the preceding one (1) year;
 - (d) Is not a mentally incompetent person;
 - (e) Has been a volunteer of the Co-operative; and
 - (f) Has been in attendance at a minimum of two (2) General Members Meetings in the preceding one (1) year, or, if there has only been one (1) such General Members Meeting, was in attendance at that meeting.
Allowances will be made for extenuating circumstances.
- 5.5 A person shall be eligible for election as director only if the person is qualified to be nominated for such position and has been so nominated in accordance with the provision set out in Article 5, Paragraph 9 of By-Law I, and has attended a candidate's workshop *and a Candidates Question & Answer (Q&A) Forum* conducted by the Elections Planning Committee.
- 5.6 Election of Directors shall take place in a duly constituted meeting where the requisite quorum of members is present.
- 5.7 Election of Directors shall be by ballot. Any ballot which contains votes for more or less directors than the number required to be elected shall be void.
- 5.8 Nominations for elections of directors shall take place prior to the date of the meeting at which such elections will take place. An Elections Planning Committee consisting of volunteers from the membership of the Co-operative shall designate a Chief Elections Officer to supervise nominations and elections. The person so designated must receive confirmation by a majority of the votes cast at the first General Members Meeting following such designation. Once confirmed, the Chief Elections Officer shall have the authority to supervise the conduct of nominations and elections to insure they are conducted in a fair and impartial manner. *The Chief Elections Officer and the Elections Planning Committee will approve all nominations. The confirmed Chief Elections Officer will fill the office for (1) year, until the next elections and a new Chief Elections Officer is appointed.*
- 5.9 Nominations shall be made in writing for candidates individually, Nominations shall be conducted in the manner determined by the Elections Planning Committee. *Each Members of the Co-operative may nominate one (1) candidate only.* Nominations must be made prior to the closing date set for the nominations by the Elections Planning

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Committee. No nominations shall be accepted during the meeting on the day of the election.

- 5.10 (a) A member who is elected or appointed a Director is not a Director unless the member was present at the meeting at which he/she was elected or appointed, or unless he/she consented to act as Director in writing before such election or appointment. *Written consent must be given to the Chief Elections Officer prior to such election.*
- (b) A member who is appointed a Director by the Board of Directors is not a Director unless he/she consents in writing within two (2) business days of receipt of notification.
- (c) In case of a tie vote for the last seat/position, the Chief Elections Officer shall ask if one or more of the candidate(s) wish(es) to defer to the other. If none of the candidates wish to defer, the Chief Elections Officer shall draw lots, and the candidate whose name is drawn shall be declared elected.
- (d) *After the official announcement of the election results has been made, the Chief Elections Officer will make the announcement that the ballots will be destroyed in ten (10) days, unless within those ten (10) days there has been a written objection or challenge to the election.
- (e) If there has been an objection or challenge to the election, the Chief Elections Officer must be notified and a recount must be held within ten (10) days of receipt of the written objection or challenge.
- (f) Once notified of the objection or challenge to the election, the Chief Election Officer will appoint a natural party to conduct a recount of all valid ballots.
- (g) The newly elected Board of Directors must sit immediately to appoint signing officers.
- 5.11 Whenever any vacancy occurs on the Board of Directors *the remaining members thereof, so long as there is a quorum in office, will contact the Chief Elections Officer to request a list of ONLY the names of the unelected members to enable the Board of Directors to make an appointment to fill the vacancy.* If no quorum of directors is in office, then the remaining directors shall be required to call a meeting of the members for the purpose of electing directors. The person(s) so appointed or elected shall hold office until the next Annual General Members Meeting, at which time director(s) shall be elected to fill the vacant position(s).
- 5.12 The office of a Director shall be vacated:
- (a) If the Director becomes bankrupt;
- (b) If the Director becomes mentally incompetent
- (c) If the Director ceases to have the necessary qualifications for office;
- (d) *If the Director is absent without notification for three (3) consecutive regularly scheduled meetings of the Directors. Allowances will be made for extenuating

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circumstances*

- (e) If by resolution, passed by a majority of the votes cast at a meeting of the members called for that purpose, a Director is removed with just cause from office. The Director(s) being removed from the office MUST be allowed to defend themselves.
- (f) If eviction proceedings have been started against a Director, the Director must withdraw from the Board of Directors immediately upon receiving By-Law IV, Schedule C, Notice to Consider Termination of Membership and Occupancy,

- 5.13 Directors and Officers shall serve as such without remuneration and no Director or Officer shall directly or indirectly receive any profit or remuneration in any capacity whatsoever from his/her position as such.
- 5.14 Directors and Officers may be paid reasonable expenses properly incurred by them in connection with the business of the Co-operative.
- 5.15 Directors, Officers and members of the Co-operative shall not be reimbursed for their expenses in attending a meeting of the Directors, members or committee of the Co-operative where such meetings are held more than 100 kilometers from the Head Office of the Co-operative.

Article 6: Meetings of the Board of Directors

- 6.1 Regular meetings of the Board of Directors shall be held at least ten (10) times each fiscal year at such times as the Directors by resolutions may determine.
- 6.2
 - (a) Meetings of the Directors normally shall be held at the head office of the Co-operative.
 - (b) For any reason that the Directors may deem sufficient, they may decide by resolution to hold a meeting elsewhere within the Province of Ontario.
 - (c) By unanimous consent of the Directors, a meeting may be conducted by telephone conference or other communications equipment, provided always a quorum of the Directors participates and that all persons participating in the meeting can hear each other.
- 6.3 A meeting of the Directors may be called by the President or any three (3) Directors at any time, and the Corporate Secretary by direction of the President or any three (3) Directors shall convene a meeting of the said Directors.
- 6.4 Notice of such meeting shall be delivered, mailed or telephoned to each Director not less than ten (10) days (exclusive of the day on which notice is delivered, mailed or telephoned, but inclusive of the day for which notice is given) before the meeting is to

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take place; provided always that a meeting of the said Directors may be held at any time without formal notice if all the Directors are present or those absent have waived notice or have signified their consent in writing to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or notice thereof may be waived by a Director.

- 6.5 In the case of the first meeting of the Directors to be held immediately following an Annual General Members Meeting, or in the case of a Director elected to fill a vacancy of the said Board, it shall not be necessary to give notice of such meeting to the newly elected Director or Directors in order to legally constitute the meeting, provided that a quorum of Directors is present.
- 6.6 No business of the Co-operative shall be transacted by its Board of Directors except at a meeting of Directors at which quorum of the Board is present. One-half ($\frac{1}{2}$) of the Directors shall constitute a quorum at any meeting of the Directors.
- 6.7 Questions arising at any meeting of the Directors shall be decided by consensus agreement if possible. If after a reasonable discussion no consensus can be reached, the decision shall be made on the basis of a majority vote of the Directors present and voting.
- 6.8 (a) Ten percent (10%) of the members of the Co-operative may requisition the Directors to call a meeting of the Directors for the purpose of passing any By-Law or resolution that may properly be passed at a meeting of the Directors duly called, constituted and held for that purpose, in accordance with the provisions of the Co-operative Corporations Act.
- (b) The requisition shall set out the By-Law or resolution that is required to be passed at the meeting and shall be signed by the requisitionists and deposited at the head office of the Co-operative.
- (c) Upon deposit of the requisition, the Directors shall forthwith call a meeting of the Directors for the purpose of passing the By-Law or resolution, as the case may be, set out in the requisition.
- (d) Where the Directors do not within twenty-one (21) days from the date of the deposit of the requisition,
- (i) Call and hold such a meeting and pass such a By-Law or resolution; and
- (ii) Call a general meeting of the members for the purpose of confirming the By-law or resolution if the resolution requires confirmation at a general meeting of the members before it is effective, any of the requisitionists may call a meeting of the members for the purpose of passing such a By-Law or resolution, and the meeting shall be held within sixty (60) days from the date of the deposit of the requisition.

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- 6.9 Meetings of the Board of Directors and the Members shall be conducted in a fair and democratic manner and by such procedures as may be determined by the Board of Directors from time to time.

Article 7: Officers

- 7.1 The Directors shall annually or as often as may be required, elect by secret ballot a President and elect or appoint a Vice-President, a Corporate Secretary and a Treasurer.
- (a) None of the said Officers, except the President, need be a member of the Board of Directors. Any two (2) of the aforesaid offices may be held by the same person, except that of President and Vice-President.
 - (b) A vote of the majority of the Directors shall be necessary for the elections of the said Officers. The directors may from time to time elect or appoint such other Officers and Agents as they shall deem necessary who shall have such authority and shall perform such duties as the Directors from time to time shall prescribe.
 - (c) All Officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Directors at any time with or without cause provided that a majority of the Directors shall vote in favour thereof.
- 7.2 The Officers shall serve without remuneration and no Officer shall directly or indirectly receive any profit or remuneration in any capacity whatsoever from the position as such; provided that an Officer may be paid reasonable expenses incurred in the performance of duties.
- 7.3 In the case of the absence or inability to act of any Officer of the Co-operative or for any other reason that the Directors may deem sufficient, the Directors may delegate all or any powers of such Officer to any other Officer or Director for the time being, provided that a majority of the Directors concurs therein.
- 7.4 The President shall sign all instruments, which require his/her signature and shall perform all duties incident to the office and shall have other such powers and duties as may from time to time be assigned by the Directors.
- 7.5 If the Vice-President is a Director, the Vice-President shall be vested with all the powers and shall perform all the duties of the President in the absence or disability or refusal to act of the President. The Vice-President shall also have such other powers and duties, if any, as may from time to time be assigned to the position by the Directors.
- 7.6 The Corporate Secretary shall issue or cause to be issued notices for all meetings of the members and the Directors when directed to do so. The Corporate Secretary shall sign with the President or other signing Officer or Officers of the Co-operative such instruments as require the signature and shall perform such other duties as the terms of the engagement call for or the Directors may from time to time properly require of the position.
- 7.7 The Corporate Secretary or some other Officer specially charged with the duty shall

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keep or cause to be kept suitable records wherein shall be kept recorded:

- (a) A copy of the Certificate of Incorporation with the Articles of incorporation;
- (b) *All By-Laws, Resolutions and Policies, of the Co-operative as well as the Co-operative Corporations Act (CCA), the Social Housing Reform Act (SHRA) and the Personal Information Protection and Electronic Documents Act (PIPED);*
- (c) A register of members in which is set out the information required by the Social Housing Reform Act and the Co-operative Corporations Act.
- (d) A register of Directors in which is set out the names and residence addresses of Directors, including the street and number, if any, of all persons who are or have been Directors of the Co-operative with the several dates on which they have become or ceased to be Directors;
- (e) Minutes of all proceedings at meetings of members and Directors.

- 7.8
- (a) The Treasurer or some other Officer specifically charged with the duty shall have the care and custody of all the funds and securities of the Co-operative and shall deposit or cause to be deposited the same in the name of the Co-operative in such bank or banks or with such depository or depositories as the Directors may direct.
 - (b) The Treasurer shall keep or cause to be kept proper accounting records in accordance with the Social Housing Reform Act and the Co-operative Corporations Act. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director upon application at the office of the Co-operative during business hours.
 - (c) The Treasurer shall sign or countersign such instruments as require the signature and shall perform all duties incident to the office or that are properly required by the Directors.
 - (d) *The Treasurer must sign all cheques before any other officer, unless he/she has given written approval to another officer. The signing officers signing the corresponding cheques for payment must initial all vouchers and invoices.*
 - (e) The Treasurer shall be required to give such bond as the Directors in their uncontrolled discretion may require and no Director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Co-operative to receive any indemnity thereby provided.
 - (f) The Treasurer by nature of his/her position shall sit on and attend all meetings of the finance and audit purpose.
 - (g) The President shall perform the duties of the Treasurer upon Treasurer's refusal to act, without a valid reason on a Board of Directors approval.

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- 7.9 (a) The Directors may from time to time employ a General Manager or Co-ordinator, who shall not be one of the members of the Co-operative.
- (b) The Board of Directors may delegate to the General Manager or Co-ordinator full authority to manage and direct the affairs of the Co-operative (except such matters and duties as by By-Law must be transacted or performed by the Directors or by the members in general meeting), and to employ, discharge, and fix the wages or salaries or other employees and agents of the Co-operative, or may delegate to the General Manager or Co-ordinator any lesser power.
- (c) The General Manager or Co-ordinator shall conform to all lawful orders given by the Directors. The General Manager or Co-ordinator shall at all reasonable times give to the Directors or any of them all information they may require to manage the affairs of the Co-operative.
- 7.10 If the office of the President, Vice-President, Corporate Secretary, Treasurer, one (1) or more of them, shall become vacant because of death, resignation, disqualification or otherwise, the Directors by resolution may elect or appoint an Officer to fill such vacancy.

Article 8: Standard of Care, Diligence, and Skill

- 8.1 Every director and officer of the Co-operative in discharging the duties of his/her office shall
- (a) Act honestly, in good faith and in the best interests of the Co-operative;
- (b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and,
- (c) In the provision of accommodation or any other involvement in the co-operative, that its residents, staff or any other person(s), by reason of race, national or ethnic origin, colour, religion, health, disability, age, gender, marital status, sexual orientation, source of income or the fact that children form a part of the family, will not discriminate against any other person.
- 8.2 From time to time information of a confidential or private nature may be considered by the directors or officers, or come to their notice or attention as directors or officers. Such matters may include personal information about individual members and information relating to the business of the Co-operative where secrecy is appropriate in order to preserve the Co-operative's position against third parties. No director or officer shall disclose or, as far as possible, permit disclosure of such information to persons outside Board meetings.
- 8.3 If any employee or other member of the Co-operative is present at a meeting where confidential matters are considered and becomes aware of such confidential information, such person shall have an obligation not to disclose and not to permit disclosure of such information to any person not present at the meeting.

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- 8.4 The minutes of board meetings shall include details of all items of business discussed, but details of confidential matters shall not be included in or shall be deleted from any copies of the minutes circulated to members or posted in a public place, except the in camera minutes from the Board of Directors meetings.
- 8.5 Every director or officer who has any material interest, directly or indirectly, in any contract or transaction to which the Co-operative is or is to be a party:
- (a) Shall declare his/her interest in such contract or transaction at a meeting of the directors; and
 - (b) Shall at that time disclose the nature and extent of such interest; and
 - (c) Shall not vote on any question related to such contract or transaction; and
 - (d) Shall not be counted in the quorum for the meeting where such contract or transaction is considered.

Article 9: Liability and Indemnification

- 9.1 Except as otherwise provided in the Co-operative Corporations Act, no Director or Officer for the time being of the Co-operative shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or Employee, or:
- (a) For joining in any receipt or act for conformity; or
 - (b) For any loss, damage or expense happening to the Co-operative due to the insufficiency or deficiency of title to any property acquired by the Co-operative or for or on behalf of the Co-operative; or
 - (c) For the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Co-operative shall be placed out or invested; or
 - (d) For any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation; or
 - (e) For any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Co-operative; or
 - (f) For any loss, damage or misfortune whatever which may happen in the execution of the duties of his/her respective office or trust or in relation thereto and unless the same shall happen by or through his/her failure to exercise the powers and to discharge the duties of his/her office honestly, in good faith and in the best interest of the Co-operative, and in connection therewith to exercise the degree

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of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

- 9.2 Every Director and Officer of the Co-operative and his/her heirs, executors, administrators and other legal personal representatives, shall from time to time be indemnified and saved harmless out of the funds of the Co-operative only from and against:
- (a) Any liability and all costs, charges and expenses that he/she sustains or incurs in respect of any actions, suit or proceedings that is proposed or commenced against him/her for or in respect of anything done or permitted by him/her in respect of the execution of the duties of his/her office; and
 - (b) All other costs, charges and expenses that he/she sustains or incurs in or about or in relation to the affairs of the Co-operative except such costs, charges or expenses as are occasioned by his/her own negligence or default or failure to act honestly and in good faith with a view to the best interests of the Co-operative.
- 9.3 The Co-operative may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suits or proceeding, whether civil, criminal, administrative or investigation (other than an action by or in the right of the Co-operative) by reason of the fact that he/she is or was an Employee or Agent of the Co-operative or is or are serving at the request of the Co-operative as a Director, Officer, Employee, Agent of or participant in another corporation, partnership, joint venture, trust or other enterprises, against expenses (including legal fees) judgements, fines and amount actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Co-operative, and with respect to any criminal action or proceedings, had no reasonable cause to believe his/her conduct was unlawful. The termination or any action, suit or proceeding by judgement, order, settlement, or conviction shall not, of itself, create a presumption that the person acting or proceeding had reasonable cause to believe that his/her conduct was unlawful.
- 9.4 To the extent that a person who is or was an Employee or Agent of the Co-operative has achieved complete or substantial success as a Defendant in any action, suit or proceeding referred to in Paragraph 9.3 above, he/she shall be indemnified against all costs, charges and expenses actually and reasonably incurred by him/her in connection therewith.
- 9.5 The provisions for indemnification in the By-Laws of the Co-operative shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Laws, agreement, vote of members or disinterested Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, Employee or Agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

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Article 10: Auditor

- 10.1 The members at each Annual Meeting shall appoint an auditor who is familiar with Co-operative accounting and practice. The auditor when appointed shall hold office until the next Annual Meeting, and, if an appointment is not so made the auditor in office shall continue until a successor is appointed. The remuneration of the auditor shall be fixed by the Directors.
- 10.2 No person shall be appointed or act as auditor:
- (a) Who has been, during the two (2) years immediately preceding the proposed date of his appointment as auditor a director, officer or employee of the Co-operative or who is a partner, employer or employee of such director, officer or employee or who is a related person to any director or officer of the Co-operative; or
 - (b) If he/she or any partner or employer of a person related to him/her transacts a material amount of business of the Co-operative.
- 10.3 The members may remove an auditor before the expiration of his/her term of office under certain conditions set out in the Co-operative Corporations Act.
- 10.4 The auditor shall at all reasonable times have access to the books, accounts and vouchers of the Co-operative and may require from the Directors and Officers such information and explanations as may be necessary for the performance of his/her duties
- 10.5 The Directors shall hold a meeting to approve a financial statement prepared in accordance with the provisions of the Co-operative Corporations Act. The Directors' approval of the financial statement shall be evidenced by the signature at the foot of the balance sheet by the President and the Treasurer of the Board of Directors.
- 10.6 The auditor shall make a report to the members on the financial statement to be laid before the Co-operative at each Annual Meeting during his/her term in office and shall state in his/her report whether in his/her opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operations for the period under review.
- 10.7 Ten (10) days or more before the Annual Meeting, the Co-operative shall send by prepaid mail to each member at the latest address as shown on the records of the Co-operative a copy of the financial statement and a copy of the auditor's report. Special needs Members may request an alternate mode of delivery, i.e. electronic transfer (e-mail).
- 10.8 The Co-operative shall file with the Region of Peel its financial statements and auditor's report.

Article 11: Distribution of Surplus

- 11.1 A surplus arising from the business of the Co-operative in each fiscal year shall be set aside in retained earnings, which is not to be paid or in any way distributed to the members, and shall be applied for such purpose or purposes as are not inconsistent with the objects for which the Co-operative is incorporated, and is conducive to the interests of the Co-operative. The Board of Directors may invest such retained earnings in whole or in part in such investments as it sees fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Co-operative.

Article 12: Borrowing Powers

- 12.1 The Directors may from time to time:
- (a) Borrow money on credit of the Co-operative;
 - (b) Issue, sell or pledge debt obligations of the Co-operative;
 - (c) Charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, moveable or immoveable property of the Co-operative, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed or other debt or liability of the Co-operative.
- 12.2 The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purpose of the Co-operative possessed by its Directors or Officers independently of a borrowing By-Law.

Article 13: Government Agreements and Loans

- 13.1 The Directors of the Co-operative may for the purpose of fulfilling its objects cause the Co-operative to enter into agreements with Canada Mortgage and Housing Corporation and/or Her Majesty the Queen in Right of Ontario as represented by the Minister of Housing and/or the Region of Peel and to obtain loans under the National Housing Act of Canada and/or with the Region of Peel.
- 13.2 While any such agreement is in force, or loan is outstanding, all applicable requirements under the Social Housing Reform Act and The Co-operative Corporations Act and all obligations under the agreement and all conditions of the loan shall be and remain binding on the Co-operative.

Article 14: Cheques, Drafts, and Notes

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- 14.1 The Board of Directors shall appoint the signing officers for the Co-operative, who shall include the President, Vice-President, Corporate Secretary and Treasurer of the Co-operative and such other persons as the Directors may from time to time determine.
- 14.2 All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by two (2) of the authorized signing officers, at least one of whom shall be the President, Vice-President, Corporate Secretary or Treasurer.

Article 15: Bonding Employees

- 15.1 Every Officer or Employee of the Co-operative who has charge of or handles money or securities belonging to the Co-operative shall be bonded with a surety company selected by the Directors for such an amount as may from time to time be prescribed by the Directors, but in no case for an amount less than \$10,000.00.

(15.1) The Directors may prescribe that any other Employee or Employees of the Co-operative (whether handling money or securities of the Co-operative or not) shall be bonded in such an amount as the Directors determine.

Article 16: Execution of Instruments

- 16.1 Contracts, documents or any instruments in writing requiring the signature of the Co-operative may be signed by the President, or Vice-President and/or the Secretary or the Treasurer, and all contracts, documents and instruments in writing so signed shall be binding upon the Co-operative without any further authorization or formality. The

Directors shall have the power from time to time by resolution to appoint any Officer or Officers, person or persons to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing on behalf of the Co-operative.

Article 17: Fiscal Year

- 17.1 The financial or fiscal year of the Co-operative shall terminate on the last day of June in each year.

Article 18: Dissolution

- 18.1 In the event of dissolution of the Co-operative and after the payment of all debts and liabilities the remaining property of the Co-operative shall be transferred to or distributed among one or more non-profit housing co-operatives or charitable organizations carrying on their activities solely within Canada.

Article 19 - Notices

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- 19.1 The signatures to any notice to be given by the Co-operative may be written, stamped, typewritten or printed.
- 19.2 Any notice may be given by the Co-operative to any member or Director either personally or by telephone or by delivery to their door or by sending it through the post by prepaid envelope, wrapper addressed or electronically transferred to such member or Director at his/her address as same appears in the books of the Co-operative, or if no address be given therein then to the last address of such member or Director known to the Corporate Secretary.

Article 20 - Amendments

- 20.1 Neither these By-Laws nor any By-Laws to amend these By-Laws are effective until they are passed by the Directors and confirmed, with or without variation, by at least two-thirds of the votes cast at a general meeting of the members of the Co-operative duly called for that purpose.