


**RESOLUTION**

I, **GARNET DRENNAR**, of Winnipeg, in Manitoba, President of **South Osborne Housing Cooperative Ltd.**

HEREBY CERTIFY THAT the attached Schedule 1 is a true, correct and complete copy of the Resolution that was passed by a majority of the votes cast by the members of South Osborne Housing Co-op Ltd. who voted in respect of that Resolution at a meeting of the members duly called for that purpose and held on the **30th day of May, 2006.**

Dated at **Winnipeg, in the Province of Manitoba,**

this 19 day of U usrdU

  
\_\_\_\_\_  
President /

**SCHEDULE 1 RESOLUTION TO REPEAL AND  
REPLACE CHARTER BY-LAWS**

BE IT RESOLVED THAT SOUTH OSBORNE HOUSING CO-OP LTD. repeal the existing Charter By-laws of the cooperative and replace them with the Bylaws appended hereto as Schedule 1.

**SCHEDULE 1**

**BY-LAWS OF SOUTH OSBORNE HOUSING COOPERATIVE LTD.  
BY-LAWS PRECEDENTS**

**Section One**

**INTERPRETATION**

<b>1.01</b>	Definitions	1
		- 3

**Section Two**

**BUSINESS OF THE COOPERATIVE**

2.01	Registered Office	4
2.02	Corporate Seal	4
2.03	Financial Year	4
2.04	Execution of Instruments	4
2.05	Financing Arrangements	5
2.06	Voting Rights in Other Bodies Corporate	5
2.07	Information Available to Members	5 - 6

**Section Three**

**DIRECTORS**

3.01	Number of Directors and Quorum	7
3.02	Personal Qualifications	7
3.03	Membership Qualification	7 - 8
3.04	Election and Term	8 - 9
3.05	Removal of Directors	9
3.06	Ceasing to Hold Office	9
3.07	Vacancies	10
3.08	Exercise of Authority	10
3.09	Resolution in Writing	10 - 11
3.10	Meetings by Telephone or Other Electronic Means	11
3.11	Time and Place of Meetings	11
3.12	Notice of Meeting	11 - 12
3.13	Meeting of New Board	12
3.14	Adjourned Meeting	12
3.15	Regular Meetings	12
3.16	Chairperson	13
3.17	Votes to Govern	13
3.18	Conflict of Interest	13
3.19	Remuneration and Expenses	14
3.20	Reports	14
3.21	Tribunal Members List	14 - 15
3.22	Insurance	15

## **Section Four COMMITTEES AND OFFICERS**

4.1	Committee of Directors	16
4.2	Transaction of Business	16
4.3	Advisory Committee	16
4.4	Procedure	16
4.5	Officers, Powers and Duties	17
4.6	Variations of Powers and Duties	17
4.7	Term of Office	17
4.8	Powers, Duties and Remuneration of Officers	17
4.9	Conflict of Interest	18
4.10	Agents and Attorneys	18
4.11	Fidelity Bonds	18

## **Section Five DUTY OF CARE AND PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

5.1	Duty of Care of Directors and Officers	19
5.2	No Exculpation	19
5.3	Indemnity	19-20
5.4	Insurance	20
5.5	Dissent	20

## **Section Six MEMBERSHIP SHARES AND MEMBERSHIPS**

6.01	Minimum Membership Share	21
6.02	No Share Certificate to be Issued	21
6.03	Membership Qualifications	21
6.04	Application and Approval of Memberships	21 - 22
6.05	Members Obligations	22
6.06	Rules Governing Occupation Charges	22
6.07	Member Occupancy Rights	22 - 23
6.08	Deceased Holders of Membership Shares	23
6.09	Lien for Indebtedness	23- 24
6.10	Non-Recognition of Trusts	24
6.11	Withdrawal of Members	24
6.12	Compulsory Sale of Membership Shares	24- 25
6.13	Termination of Membership for Cause	25
6.14	Notice of Termination	25
6.15	Right to Appeal	25
6.16	Membership Continues	26
6.17	Re-admittance	26
6.18	Occupancy During Appeal	26
6.19	Right to Possession Terminated	26

6.20	Compensation for Over Holding Past Termination	27
	Restriction on Taking Property	27
6.22	Membership Shares Upon Withdrawal and Termination of Membership	27
6.23	Determining the Equity of a Member on Withdrawal or Termination	28- 29

## **Section Seven**

### **JOINT MEMBERSHIP**

7.01	Joint Membership	30
7.02	Statement of Interest	30
7.03	Business Done by Joint Holder	30
7.04	Voting	30- 31
7.05	Withdrawal of Membership	31
7.06	Notice	31
7.07	Director	31

## **Section Eight**

### **Dispute Resolution**

8.01	Dispute Resolution	32
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## **Section Nine**

### **Abandoned Personal Property**

9.01	Definition of Abandoned Personal Property	33
9.02	Disposition of Property if Minimal Value	33
9.03	Disposition of Property if Significant Value	33- 34
9.04	Right to Regain Possession of Property	34
9.05	Disposition of Net Proceeds from Sale of Property	34- 35
9.06	Disposition of Net Proceeds where Member or Former Member not Found	35
9.07	Amounts Cooperative can Deduct from Net Proceeds	35

## **Section Ten**

### **ALLOCATION OF SURPLUS**

10.01	Reserves Required by Funding Agencies	36
10.02	General Reserve	36
10.03	Minimum Reserve	36
10.04	Deficits	37

**Section Eleven  
MEETINGS OF MEMBERS**

<b>11.1</b>	Annual Meetings	38
11.2	Special Meetings	38
11.3	Place of Meetings	38
11.4	Electronic Meetings	39
11.5	Notice of Meetings	39
11.6	Meetings without Notice	40
11.7	Chairperson, Secretary and Scrutineers	40
11.8	Persons Entitled to be Present	41
11.9	Quorum	41
<b>11.10</b>	Right to Vote	41
11.11	Votes to Govern	41
11.12	Show of Hands	41 - 42
11.13	Ballots	42
11.14	Adjournment	42
11.15	Resolution in Writing	42 - 43

**Section Twelve  
NOTICES**

12.1	Method of Giving Notices	44 - 45
12.2	Computation of Time	45
12.3	Undelivered Notices	45
12.4	Omissions and Errors	46
12.5	Persons Entitled by Death or Operation of Law	46
12.6	Waiver of Notice	46

**Section Thirteen  
BY-LAWS**

13.0	Amendment, Repeal and Replacement	47
1	Effective date	47
13.0		
2		

**Section One**  
**INTERPRETATION**

Definitions

1.01 In the by-laws of the Cooperative, unless the context otherwise requires:

"Act" means The Cooperatives Act, and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of reorganization, articles of dissolution and articles of revival of a body corporate and any amendments thereto, and any other document evidencing corporate existence of the Cooperative;

"board" means the board of directors of the Cooperative;

"by-laws" means these by-laws and all other by-laws of the Cooperative and all amendments, additions, deletions or replacements thereof from time to time in force and effect;

"Cooperative" means the Cooperative which passes these by-laws;

"entity" means a body corporate, a trust, a partnership, a fund or an unincorporated organization;

"meeting of members" means an annual meeting of members or a special meeting of members;

"member" means a person having rights through a membership interest in the Cooperative in accordance with the Act, articles and bylaws.

"ordinary resolution" means a resolution passed at a meeting of the Cooperative or of its directors by a majority of the votes cast by or on behalf of the persons at the meeting who are entitled to vote in respect of the resolution.

"patronage return" means an amount that under the Act, is allocated among and credited or paid by a cooperative to its members, or to its members or non-member patrons, based upon the business done by each of them with or through the Cooperative

"person" means an individual or an entity, and includes a legal representative;

"recorded address" means in the case of a member or shareholder, the address of the member or shareholder as recorded in the members' or share register; and in the case of a director, officer, auditor or member of a committee of the board, the latest address of such persons as recorded in the records of the Cooperative; and in the case of joint members or shareholders, the address appearing in the members' or shareholders register in respect of such joint holding or the first address so appearing if there are more than one;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Cooperative by the by-laws or by a resolution passed pursuant thereto;

"special resolution" means a resolution passed at a meeting of the Cooperative or of its directors by 2/3 of the votes cast by or on behalf of the persons at the meeting who are entitled to vote in respect of the resolution;

"surplus" of the Cooperative for any financial year of the Cooperative, means the amount that remains after deducting from its operating revenue, charges to members and patrons, and other revenue in that financial year,

(a) its operating expenses and losses in that financial year, including proper allowances for depreciation, for expenses incurred but not paid and for other proper charges against its operations, and

- (b) any refunds and interim and final payments to members and patrons made in that financial year or in respect of that financial year and not made in a previous year

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

## **Section Two BUSINESS OF THE COOPERATIVE**

### **Registered Office**

2.1 The Registered Office of the Cooperative shall be at such place in Manitoba as the articles or a subsequent special resolution of the members may provide.

### **Corporate Seal**

2.2 The corporate seal of the Cooperative, if any, shall be in the form determined by the board.

### **Financial Year**

2.3 The financial year of the Cooperative shall end on such date as may be fixed by the board.

### **Execution of Instruments**

2.04 Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Cooperative by two persons, one of whom holds the office of president, vice-president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant



treasurer or any other office established by resolution of the board. In addition, the board may from time to time direct the manner in which the designated person or persons may or shall sign any particular instrument or class of instruments. Any signing officer may affix the corporate seal, if any, to any instrument requiring the same.

### **Financing Arrangements**

2.05 The financial business of the Cooperative including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such credit unions, credit union centrals, banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such financial business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

### **Voting Rights in Other Bodies Corporate**

2.6 The signing officers of the Cooperative may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Cooperative. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **Information Available to Members**

2.7 Subject to the provisions of the Act, no member shall be entitled to discovery of any information respecting any details or conduct of the Cooperative's business which, in the opinion of the board, it would be inexpedient in the interest of the members or the Cooperative to communicate to the public. The board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Cooperative or any of them shall

be open to the inspection of members and no member shall have any right of inspecting any account, record or document of the Cooperative except as conferred by the Act or authorized by the board or by resolution passed at a general meeting of members. Nothing herein shall restrict the right of a member to inspect the records of the Cooperative as to the affairs of the Cooperative as is granted by Subsection 29 (1) of the Act.

**Section Three****DIRECTORS****Number of Directors and Quorum**

3.1 The number of directors shall be the number stated in the articles or where the articles state a minimum and maximum, the board shall by resolution establish the number of directors within the minimum and maximum stated in the articles. Once the number of directors is set, the number shall not be reduced for the purpose of obtaining a quorum. The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors.

**Personal Qualifications**

- 3.2 No person shall be a director if that person
- (a) is less than 18 years of age;
  - (b) is of unsound mind and has been so found by a court in Canada or elsewhere;
  - (c) is not an individual;
  - (d) has the status of a bankrupt;
  - (e) is an employee of the Cooperative;
  - (f) is in arrears with respect to any amounts due to the Cooperative; or
  - (g) does not occupy a housing unit in the Cooperative.

**Membership Qualification**

3.3 No person shall be a director unless that person or a body corporate of which that person is an officer, director or member is a member of the Cooperative and unless that person or that corporation supports the business and the affairs of the Cooperative and unless that person or that corporation complies with any other applicable requirements set out in the by-laws.

The election of directors shall take place at the first meeting of members and at each annual meeting of members thereafter. At the first meeting of members seven (7) directors shall be elected of whom the three (3) receiving the highest number of votes shall hold office until the close of the third annual meeting of its members following their election and the two (2) next in order in respect of votes shall hold office until the close of the 2nd annual meeting of its members following their election. The remaining two (2) shall hold office for one year. At each subsequent annual meeting, directors elected to replace those whose term of office has expired shall hold office for (3) years.

Retiring directors, if qualified, shall be eligible for re-election. Nomination for the office of director may be made verbally or in writing by any member present at the meeting. A nominating committee may be appointed by the board before the meeting or by the members at a meeting of the members to place nominations for the office of director before the meeting, provided that the report of the committee maybe added to by further nominations which maybe made verbally or in writing by any member present at the meeting

The election of directors shall be by secret ballot. Three (3) scrutineers who are not nominees for directors shall be appointed by the chairperson or by the meeting for the puipose of ascertaining and declaring the results of the election for the office of director. On the first ballot, the candidates up to the number to be elected receiving the highest number of votes cast shall be declared elected. In the case of a tie between or among the last candidates to be declared elected,

- (i) their names shall be submitted to a second ballot to be taken in the manner prescribed by the chairperson, or;

- (ii) where it is not practical to hold a run off election, the directors who have already been elected in the election and any directors whose terms of office do not end at or before the end of the meeting at which the election is held shall determine which of the two individuals is to be elected.

### **Removal of Directors**

3.05 Subject to the provisions of the Act, the members may, by ordinary resolution at a special meeting, remove any director from office and the vacancy created by such removal may be filled at the same meeting or, if not so filled, may be filled by the directors.

### **Ceasing to Hold Office**

- 3.06 A director ceases to hold office when the director
- (a) dies or resigns;
  - (b) is removed from office by the members at a special meeting of the members; or
  - (c) becomes disqualified from being a director.

### **Vacancies**

3.07 Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the required number of directors or from a failure of the members to elect the required number of directors. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the members to elect the required number of directors, the board shall forthwith call a special meeting of members to fill the vacancy.

If the board fails to call such a meeting or if there are no such directors then in office, any member may call the meeting. A director elected to fill a vacancy shall serve the balance of the term of the director whose cessation of office caused the vacancy.

### **Exercise of Authority**

3.8 Except as otherwise provided by the by-laws, the powers of the board or of a committee of the board may be exercised by resolution passed at a meeting at which a quorum is present. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board or of a committee of the board so long as a quorum remains in office.

### **Resolution in Writing**

3.9 The powers of the board or of a committee of the board may be exercised by a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the board or of a committee of the board and the resolution shall

- (a) be effective from the date specified in the resolution, but that date shall not be prior to the date on which the first director signed the resolution; and
- (b) be kept with the minutes of the proceedings of the directors or committee of directors as the case may be.

### **Meetings by Telephone or Other Electronic Means**

3.10 Directors may participate in a meeting of the board or of a committee of the board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

### **Time and Place of Meetings**

3.11 Meetings of the board shall be held at such time and place in Canada as the board, or failing determination by the board, the president or any two directors may determine.

### **Notice of Meeting**

3.12 Notice of the time and place of each meeting of the board shall be given in the manner provided by the by-laws to each director not less than 5 days before the time when the

meeting is to be held if the notice was delivered personally to each director or by means of transmitted or recorded communication and not less than 10 days if notice is given by any other method. A notice of meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to

- (a) submit to the members any question or matter requiring approval of the members;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) approve any financial statement of the Cooperative of a kind referred to in section 257 of the Act; or
- (d) enact, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

### **Meeting of New Board**

3.13 Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of members at which such board is elected.

### **Adjourned Meeting**

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

### **Regular Meetings**

3.15 The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after

being passed, but no other notice shall be required for any such regular meeting except where the act requires the purpose of that meeting or the business to be transacted at that meeting to be specified.

### **Chairperson**

3.16 The chairperson of any meeting of the board shall be the president, or in his or her absence a vice-president who is a director and who is chosen by the directors to be chairperson. If no such officer is present, the directors present shall choose one of their number to be chairperson.

### **Votes to Govern**

3.17 At all meetings of the board, except for termination of memberships, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting-vote.

### **Conflict of Interest**

3.18 A director or officer who is a party to a material contract or proposed material contract with the Cooperative, or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Cooperative, shall disclose in writing, or request to have entered in the minutes of meetings of directors, the nature and extent of that interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the board or members for approval even if the contract is one that in the ordinary course of the Cooperative's business would not require approval by the board or members, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act. A director or officer need not disclose an interest in a contract that is required between the Cooperative and its members if the contract is on the same terms as are generally available to its members.

### **Remuneration and Expenses**

3.19 The directors shall be paid such remuneration for their services as the directors may from time to time by resolution determine. The directors shall also be entitled to be



reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Cooperative in any other capacity, except as a regular employee of the Cooperative, and receiving remuneration therefor.

### **Reports**

3.20 The board shall submit or cause to be submitted to the annual general meeting of the Cooperative;

- (a) a report as to the affairs of the Cooperative and the business carried on by the Cooperative.
- (b) The financial statements prepared in accordance with generally accepted accounting principles. The financial statements shall be accompanied with the auditor's report unless the membership have dispensed with the services of an auditor in accordance with the Act.

In addition, it shall be the responsibility of the board to keep the members informed as to the affairs of the Cooperative and to encourage interest, discussion and support on the part of the members throughout the year by presenting periodic reports to the members as to the affairs of the Cooperative and the condition of its business.

### **Tribunal Members List**

3.21 The board shall in December of each year submit to the Registrar the names and addresses of not less than two individuals, who are members of the cooperative and at least one of whom is not a director of the cooperative, and who are willing to act as members of appeal tribunals under the Act for the next following year.

### **Insurance**

3.22 The board shall ensure that insurance sufficient to protect the cooperative from losses is maintained on all cooperative property and assets.

## **Section Four COMMITTEES AND OFFICERS**

### **Committee of Directors**

4.1 The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which, under the Act, a committee of directors has no authority to exercise.

### **Transaction of Business**

4.2 The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in Canada.

### **Advisory Committee**

4.3 The board may, from time to time, appoint such other committees as it may deem advisable, but the functions of such other committees shall be advisory only.

### **Procedure**

4.4 Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure.

### **Officers, Powers and Duties**

4.5 The board may designate the officers of the cooperative and appoint from among the directors a president and one or more vice-presidents and may also appoint a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The secretary and the treasurer may, but need not, be directors, and one person may hold more than one office. The board may specify the duties

of and, in accordance with the by-laws and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Cooperative. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

#### **Variations of Powers and Duties**

4.6 The board may, subject to the provisions of the Act, vary, add to, or limit the powers and duties of any committee or officer.

#### **Term of Office**

4.7 The board, in its discretion, may remove any officer of the Cooperative, without prejudice to such officer's rights under any employment contract. Otherwise, each officer appointed by the board shall hold office until the officer's successor is appointed.

#### **Powers, Duties and Remuneration of Officers**

4.8 The powers, duties and the remuneration of officers appointed by the board shall be settled by it from time to time.

#### **Conflict of Interest**

4.9 Any interest an officer has in any material contract or proposed material contract with the Cooperative shall be disclosed by the officer in accordance with the provisions of the Act.

#### **Agents and Attorneys**

4.10 The board may from time to time appoint agents or attorneys for the Cooperative in or outside Canada with such powers of management or otherwise, including the power to sub-delegate, as may be thought fit.

#### **Fidelity Bonds**

4.11 The board may require such officers, employees and agents of the Cooperative as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

### **Section Five**

## **DUTY OF CARE AND PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

### **Duty of Care of Directors and Officers**

5.01 Directors and officers of the Cooperative, in exercising their powers and discharging their duties, shall

- (a) act honestly and in good faith with a view to the best interests of the Cooperative; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **No Exculpation**

5.2 No provision in a contract, unanimous agreement, the articles, the by-laws or a resolution relieves directors or officers from the duty to act in accordance with the Act and the regulations, or relieves them from liability for a breach thereof.

### **Indemnity**

5.3 Subject to the limitations contained in the Act, the Cooperative shall indemnify directors and officers, former directors and officers, and persons who act or acted at the Cooperative's request as directors or officers of a body corporate of which the Cooperative is or was a member, shareholder or creditor, and persons who undertake or have undertaken any liability on behalf of the Cooperative or any such body corporate, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by them in respect of any civil, criminal or

administrative action or proceeding to which they are made a party by reason of being or having been directors or officers of the Cooperative or such body corporate, if

- (a) they acted honestly and in good faith with a view to the best interests of the Cooperative; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

### **Insurance**

5.4 Subject to the limitations contained in the Act, the Cooperative may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

### **Dissent**

5.5 Directors are deemed to have consented to any resolution passed or action taken at a meeting of the board or a committee of the board unless they record their dissent within the time and in the manner provided by the Act.

## **Section Six**

### **MEMBERSHIP SHARES AND MEMBERSHIPS**

#### **Minimum Membership Share Holding**

6.1 The minimum number of membership shares required to qualify for membership in the cooperative shall be 100 shares @ \$10.00 per share.

#### **No Membership Share or Member Loan Certificate to be Issued**

6.2 The Cooperative is not required to issue certificates for membership shares or member loans. The Cooperative shall, if requested in writing by a member, provide a written statement to the member showing the interest of the member in the Cooperative.

### **Membership Qualifications**

6.3 Membership in the Cooperative is open to all persons who can reasonably use the services of the Cooperative and are of the full age of 55 years.

### **Application and Approval of Memberships**

- 6.4 No person shall become a member of the Cooperative unless;
- (a) that person submits a written application for membership which is approved by the board or by a person authorized by a resolution of the board to approve membership applications; and
  - (b) that person holds the minimum number of membership shares .

### **Members Obligations**

- 6.5
- (a) A member shall support and promote the business and the affairs of the Cooperative and shall be bound by the by-laws and policies of the Cooperative and a unanimous agreement of the members.
  - (b) A member is obligated to pay to the cooperative such amounts as the board may determine to be the member's portion of the charges of the cooperative. The amount and method of payment shall be included in the housing / lease agreement between the member and the cooperative.

### **Rules Governing Occupation Charges**

6.6 The cooperative shall have rules governing charges for occupation, leasing, subletting and subleasing of housing units. These rules will be contained in the housing / lease

agreement between the member and the cooperative either in whole or by reference to the by-law where these rules were established.

### **Member Occupancy Rights**

- 6.7
- (a) An individual who is a member of a housing cooperative is entitled to occupy the housing unit allocated to the individual by the cooperative while the individual is a member, although the directors of the cooperative may by giving the member 60 days notice, require the individual to occupy an alternate housing unit.
  - (b) A member of a housing cooperative to whom a notice has been given by the cooperative to occupy an alternate housing unit may appeal the decision in the same manner as that provided for appeals of decisions to terminate the membership of a member of the cooperative.
  - (c) If an appeal under subsection 6.08(b) by the member of a housing cooperative is not successful and the member does not relocate to the alternate housing unit within the time provided by the directors of the cooperative, the member's membership in the cooperative is deemed to have been terminated and the member has no further appeal.

### **Deceased Holders of Membership Shares**

6.8 In the event of the death of a holder or one of the joint holders of any membership share, the Cooperative shall not be required to make any entry in the members' register, or make any payment, in respect thereof, except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Cooperative and its transfer agents, if any.

### **Lien for Indebtedness**

6.9 The lien of the Cooperative on any membership share of the Cooperative registered in the name of a member or the member's legal representative, and on any other interest of a member in the property of the Cooperative and on any sum payable by the Cooperative to the member, for a debt of that member to the cooperative, may be enforced by the sale of any membership share thereby affected or by any other action, suit remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Cooperative may refuse to register a transfer of or acknowledge any assignment of any membership share or any other interest or any sum payable affected by the lien.

### **Non-Recognition of Trusts**

6.10 Subject to the provisions of the Act, the Cooperative shall treat as absolute owner of any membership share, membership or other interest in the Cooperative the person in whose name it is registered or recorded on the books of the Cooperative as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Cooperative's records or on any membership share or membership certificate.

### **Withdrawal of Members**

- 6.11
- (a) A member may withdraw from the Cooperative by giving to the Secretary of the Cooperative 6 months' notice of the intention to withdraw. The board may, by resolution, accept any application for withdrawal upon shorter notice.
  - (b) The death of a member shall have the same force and effect as notice of withdrawal.
  - (c) Winding up and dissolution proceedings in respect of a body corporate that is a member of the Cooperative shall have the same force and effect as notice of withdrawal.

### **Compulsory Sale of Membership Shares**



6.12 If a member of the Cooperative has, during a period of two years, failed to transact any business with the Cooperative, the board may by written notice to the member, require the member to sell the membership shares held by the member in accordance with the act and the person ceases to be a member.

### **Termination of Membership for Cause**

6.13 If a member's conduct is considered to be detrimental to the welfare of the Cooperative, the board may, by a special resolution passed by the directors at a meeting called to consider the resolution, terminate the membership of the member for cause. The member shall receive at least 7 days' notice of the meeting at which the resolution is to be considered, together with a statement of the grounds upon which the membership of the member is proposed to be terminated. The member is entitled to appear, either personally or by or with an agent or counsel, to make submissions at the meeting.

### **Notice of Termination**

6.14 Within 7 days after the date on which the resolution to terminate the membership of a member is passed, the Cooperative shall, in the same manner as that provided for the giving of notice of a meeting of members, notify the person whose membership was terminated.

### **Right to Appeal**

6.15 A person whose membership is terminated for cause by a special resolution of the board may appeal the decision by filing with the Registrar, within seven days after receiving notice of the resolution under subsection 6.13, a written notice of appeal in accordance with the Act.

### **Membership Continues**

6.16 A person who in accordance with this section appeals the termination of the person's membership in a housing cooperative shall, notwithstanding the resolution terminating

the membership, continue to be a member of the cooperative until the termination of the membership is confirmed by an appeal tribunal under the Act.

### **Re-admittance**

6.17 A person whose termination of membership in a housing cooperative is confirmed on an appeal under this section shall not again be admitted to membership in the cooperative except by special resolution of a general meeting of the cooperative.

### **Occupancy During Appeal**

6.18 If the directors of a housing cooperative terminate a member's membership in the cooperative and the member appeals the termination under this section, the member has the right to occupy the housing unit allocated to the member until the termination has been confirmed by an appeal tribunal.

### **Right to Possession Terminated**

6.19 Any right of a member of a housing cooperative to possession or occupancy of residential premises of the cooperative acquired because of membership in the cooperative is terminated upon the termination or other cessation of the membership of the member in the cooperative.

### **Compensation for Over Holding Past Termination**

6.20 The Cooperative is entitled to compensation for the occupancy of a housing unit of the Cooperative that is occupied by a terminated member until it is vacated.

### **Restriction on Taking Property**

6.21 The Cooperative may not take the property of a member of the Cooperative to satisfy amounts due to the Cooperative except by consent or by legal proceedings.

## **Membership Shares upon Withdrawal and Termination of Membership**

6.22 Within 1 year of the termination of a membership or the withdrawal of a member or of the membership otherwise ceasing, the member or the member's personal representative shall be entitled to sell to the Cooperative any membership shares held by the member, provided that the Cooperative shall not be required to purchase its membership shares if it is unable to pay its liabilities as they become due or if the result of the purchase of membership shares would be to render it unable to pay its liabilities as they become due, or if the realizable value of its assets after the payment would be less than the total of its liabilities, and the amount that would be required to be paid to the holders of shares that have a right to be paid, on a redemption or liquidation, rateably with or in priority to the holders of the shares to be purchased or redeemed. The price of membership shares purchased by the Cooperative shall be the par value, unless the capital of the Cooperative has been impaired, in which case the price may be fixed by the board at such amount below par value as the board in its entire discretion considers consistent with the impairment of capital.

### **Determining the Equity of a Member on Withdrawal or Termination**

- 6.23
- (a) The cooperative has a lien on the member's shares for any debt owed by the member to the cooperative.
  - (b) The equity of a member upon termination of membership or upon the dissolution of the cooperative shall be the total shares at par value held by the member at the time of withdrawal or dissolution less any amounts owed to the cooperative.
  - (c) Within 90 days after a member has terminated his/her membership the cooperative shall subject to section 66 (1) of the Act, repurchase the member's shares at par value or refund any capital contribution made by the member as part of a membership obligation, less any debts owed by the member to the cooperative. Without limiting the foregoing the cooperative can deduct from the member's shares or capital contribution:
    - (i) arrears in housing charges plus any penalties on the arrears.

- (ii) any penalties prescribed in the housing / lease agreement for not giving proper notice.
- (iii) any costs incurred by the cooperative for the repair of the unit or appliances beyond the normal wear and tear of the unit or appliances during the member's occupancy. (Normal wear and tear should be defined in the housing / lease agreement or in some other document. It should also define how normal wear and tear is taken into account when assessing the member for the cost of repairs.)
- (iv) any costs incurred by the cooperative for the removal and or storage of the terminating member's property after the unit has been vacated
- (v) any costs incurred by the cooperative for the settlement of third party claims against the terminating member, e.g. unpaid utility bills.
- (vi) any other costs or deductions agreed between the terminating member and the cooperative.

In the case of disagreement between the terminating member and the cooperative in regard to the valuation of charges that are proposed to be deducted, either party can make application to the courts for rectification.

## **Section Seven JOINT MEMBERSHIP**

### **Joint Membership**

7.1 Subject to the Act and by-laws, two or more persons may apply for joint membership in the Cooperative.

### **Statement of Interest**

7.2 If two or more persons are registered as joint holders of any membership share, the Cooperative shall not be bound to issue more than one statement showing the interest of the membership shareholders in the Cooperative, and delivery of such statement to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give receipts for the statement or for any interest, refund, return of capital or other money payable in respect of such membership share.

### **Business Done by Joint Holder**

7.3 The business done with the Cooperative in a fiscal year by a joint holder of a membership is deemed to be business done by the joint membership.

### **Voting**

7.4 Each joint membership shall have one vote. The two or more persons who hold the membership jointly shall vote as one the membership jointly held by them. The signature of any one of the two or more persons holding a joint membership on a written resolution, as defined in section 11.15 of the by-laws, shall be sufficient signature for all of them.

### **Withdrawal of Membership**

- 7.5
- (a) Subject to the Act and by-laws, an application for withdrawal of joint membership shall be in writing and signed by all surviving joint holders of such membership.
  - (b) The death of one of the joint holders of a membership shall not have the same force and effect as notice of withdrawal.

### **Notice**

7.6 If two or more persons are registered as joint holders of a membership in the Cooperative, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

**Director**

7.7 Only one joint holder of a membership may be a director of the Cooperative at any one time.

**Section Eight**  
**Dispute Resolution**

**Dispute Resolution**

8.1 In any disputes between members arising from the affairs of the cooperative, the board shall require both parties to present their case at a board meeting held for this purpose. The board will decide on the issue and the decision of the board will be final and binding on all parties.

8.2 In any disputes between members and the cooperative arising from the affairs of the cooperative, the board shall constitute a committee to settle the dispute. The committee shall comprise of three members, one each appointed by the members in dispute and the board and the third will be chosen by the two nominated members. The third member of the committee need not be a member of the cooperative. The decision of the committee shall be final and binding on all parties

**Section Nine Abandoned Personal**  
**Property**

**Definition of Abandoned Personal Property**

9.1 Abandoned personal property means any personal property of a member or former member of the cooperative that was left by the member or former member in a housing unit of the cooperative after ceasing to occupy the unit without making arrangements satisfactory to the cooperative for the prompt removal of the property.

**Disposition of Property if Minimal Value**

9.2 Abandoned property that does not have a value greater than the total expected costs of removal, storage and sale may be disposed of by the cooperative at whatever time and in whatever manner the board or an officer designated by the board determines.

### **Disposition of Property if Significant Value**

9.3 Where the abandoned property has a value greater than the total expected costs of removal, storage and sale, the board or an officer designated by the board shall deal with the property according to the following rules.

(a) The abandoned property shall be sold by public auction or other advertised sale that is likely to obtain multiple offers to purchase the property.

(b) A list of the abandoned property shall be made and the property shall be stored in a safe place and manner for a minimum of 60 days before selling it.

(c) If the address of the member or former member is known to the cooperative, a copy of the list of abandoned property shall be sent to the member or former member at the earliest reasonable opportunity.

### **Right to Regain Possession of Property**

9.4 The member or former member may regain possession of the abandoned property before it is sold by paying the cooperative the costs of removal and storage of the property and all costs incurred by the cooperative in preparing or attempting to sell the property,

### **Disposition of Net Proceeds from Sale of Property**

9.5 The net proceeds of sale, being the total amount realized from the sale of the abandoned property less the total of



- (a) all amounts paid or payable by the cooperative in respect of security interests in, and liens against, the abandoned property that have priority in law over the cooperative's rights under this section,
- (b) the costs of removal, storage and sale, including any cost of ascertaining the member's or former member's current address for the purpose of this subclause,
- (c) all amounts that may be retained by the cooperative under the bylaws as permitted by clause 9.07.

shall be forwarded to the member or former member, if the cooperative has or can at reasonable cost ascertain a current address for the member or former member, and

#### **Disposition of Net Proceeds where Member or Former Member not Found**

9.6 If the cooperative does not have and cannot at reasonable cost ascertain a current address for the member or former member, it shall retain the net proceeds of sale, calculated as set out in subclause (e), for two years from the day on which the member or former member ceased to occupy the housing unit, and

- (a) the member or former member may claim the net proceeds prior to the expiration of the two years, and
- (b) if not claimed by the member or former member within the two years, the net proceeds become the property of the cooperative.

#### **Amounts Cooperative can Deduct from Net Proceeds**

9.7 The cooperative may retain out of the proceeds of sale, after payment of, or allowance for, any amounts mentioned under paragraphs 9.05(a) and (b), and may pay itself an amount sufficient to satisfy any arrears of accommodation charges or other amounts owed by the member or former member to the cooperative.

## **Section Ten ALLOCATION OF SURPLUS**

### **Reserves Required by Funding Agencies**

10.1 The board shall establish and maintain all funded reserves required by agreements made with funding agencies.

### **General Reserve**

10.2 The Cooperative shall establish and maintain a general reserve to retain a portion of the surplus for a financial year remaining after the provision for reserves required by statute or other agreements to provide for operating losses or such other purposes as may be appropriated against this account in accordance with generally accepted accounting principles. The reserve will be known as the General Reserve. (Options Retained Earnings, Retained Savings) If the operations of the Cooperative in a fiscal year result in a surplus, the Cooperative shall, after retiring all or a portion of its deficits previously incurred, if any, appropriate for and transfer to any reserves required by funding agencies or the General Reserve Fund the remaining surplus of the Cooperative for the financial year.

### **Minimum Reserve**

10.3 When the general reserve accumulates to a minimum of 2 % of the total assets of the Cooperative, as reported in the audited financial statements at each fiscal year end, the board may use the surplus to reduce housing charges for the next year.

### **Deficits**

10.04 If the calculation of surplus in accordance with the Act produces a negative amount, this amount shall be the deficit of the Cooperative for that fiscal year. The board shall determine whether to carry the deficit forward and deduct it from surpluses accruing in subsequent fiscal years of the Cooperative in accordance with these by-laws, or charge the deficit against the General Reserve, or charge part of the deficit against the General Reserve and carry the balance forward.

## **Section Eleven MEETINGS OF MEMBERS**

### **Annual Meetings**

11.01 The directors of the Cooperative shall call an annual meeting of members not later than 18 months after the Cooperative comes into existence, and subsequently not later than 15 months after holding each preceding annual meeting. Subject to the by-laws, the annual meeting shall be held at such time and at such place as the board may from time to time determine for the purpose of considering the annual report of the directors, the financial statements, the auditor's report, the election of directors, the reappointment of the incumbent auditor and any other business authorized by the by-laws to be transacted at an annual meeting.

### **Special Meetings**

- 11.02 (a) The board may at any time call a special meeting of members; or  
(b) 20 % of the members who have the right to vote at a meeting sought to be held may by written requisition require the directors to call a meeting of members for the purposes stated in the requisition.

### **Place of Meetings**

11.03 Meetings of members shall be held at the registered office of the Cooperative or elsewhere in the area where it has housing units, as the board may determine.

### **Electronic Meeting**

11.04 A member may attend a meeting of the Cooperative by means of telephonic, electronic or other communication facility if the facility permits all participants to communicate adequately with each other during the meeting.

### **Notice of Meetings**

- 11.05
- (a) Notice of the time and place of each meeting of members shall be given in the manner provided by the by-laws not less than 10 days nor more than 21 days before the date of the meeting.
  - (b) The notice shall be given to each director, to the auditor and to each member registered in the records of the Cooperative at the close of business on the day immediately preceding the day on which the notice is given, unless a different record date is fixed in accordance with the Act.
  - (c) Notice of a meeting of members called for any purpose other than the consideration of the annual report of the directors, the financial statement, the auditor's report, the election of directors, the reappointment of the incumbent auditor and any other business authorized by the by-laws to be transacted at an annual meeting, shall state the nature of that business in sufficient detail to permit the member to form a reasoned judgement thereon, and shall state the text of any special resolution to be submitted to the meeting or, if the full text is too lengthy for convenient inclusion in the notice, a summary thereof.
  - (d) A member may, in any manner, waive notice of or otherwise consent to a meeting of members.
  - (e) Failure to receive a notice does not deprive a member of the right to vote at the meeting.

#### **Meetings Without Notice**

11.06 A meeting of members may be held without notice at any time and place permitted by the Act if all members entitled to vote thereat are present in person and none of them object to the meeting being held, or if those not present waive notice of or otherwise consent to such meeting being held, and if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Cooperative at a meeting of members may transact.

#### **Chairperson, Secretary and Scrutineers**

- 11.07 (a) The chairperson of any meeting of members shall be one of the following individuals who is present at the meeting; the president or vice-president of the Cooperative or some other person appointed by the members at the meeting.
- (b) If the secretary of the Cooperative is absent from a meeting of members, the chairperson of the meeting shall appoint some person to act as secretary of the meeting.
- (c) The members at a meeting of members or the chairperson of the meeting with the consent of the meeting shall appoint scrutineers for the purpose of ascertaining and declaring the results of any ballot taken.

#### **Persons Entitled to be Present**

11.8 The only persons entitled to be present at a meeting of members shall be those entitled to vote thereat, auditors of the Cooperative and others who are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on invitation of the chairperson of the meeting or with the consent of the meeting.

#### **Quorum**

11.9 A quorum for the transaction of business at any meeting of members shall be a number of members equal to 50% of the number of members entitled to vote at meetings of members, or equal to the number of directors plus 5 whichever is the lesser.

#### **Right to Vote**

11.10 Every person, who as of the record date is entered in the members' register, shall be entitled to vote at a meeting of members.

#### **Votes to Govern**

11.11 At any meeting of members, every question shall, unless otherwise required by the Act, articles or the by-laws, be determined by the majority of the votes cast on the question. In case of an equality of votes, the motion shall be lost.

### **Show of Hands**

11.12 Subject to the provisions of the Act, any question at a meeting of members shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairperson of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the members upon the said question.

### **Ballots**

11.13 On any question proposed for consideration at a meeting of members, and whether or not a show of hands has been taken thereon, any member entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairperson shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, the result of the ballot shall be the decision of the members upon the said question.

### **Adjournment**

11.14 If a meeting of members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the meeting that is adjourned. If a meeting of members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

### **Resolution in Writing**

11.15 A resolution in writing signed by all the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of the members unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

## **Section Twelve**

### **NOTICES**

### **Method of Giving Notices**

- 12.01 (a) This subsection applies to any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a member, director, officer, auditor or to a member of a committee of the board.
- (b) Any written notice shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's recorded address or if mailed to the person at the person's recorded address by prepaid ordinary or air mail or if sent to the person's recorded address by means of prepaid transmitted or recorded communication, or by insertion of the notice in a newspaper or other publication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be presumed to have been received at the time it would be delivered in the ordinary course of mail; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice so published in a newspaper or other publication shall be

deemed to have been given at the time the publication containing the notice is distributed in the ordinary course.

- (c) Any electronic notice shall be sufficiently given if the member asks or agrees to receive it electronically and the method of sending or giving permits the member to have easy access to the notice and to retain it in a permanent form.
- (d) The secretary may change or cause to be changed the recorded address of any member, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

### **Computation of Time**

12.2 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 shall be excluded and the date of the meeting or other event shall be included.

### **Undelivered Notices**

12.3 If any notice given to a member pursuant to this section is returned on 3 consecutive occasions because the member cannot be found, the Cooperative shall not be required to give any further notices to such member until the member informs the Cooperative in writing of his or her new address.

### **Omissions and Errors**

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

### **Persons Entitled by Death or Operation of Law**



12.5 No transfers are allowed. A deceased member's shares are repurchased by the Cooperative .

### **Waiver of Notice**

12.6 Any member, director, officer, auditor or member of a committee of the board, may, at any time, waive any notice or waive or abridge the time for any notice required to be given to that person. Such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of members, of holders of investment shares or of the board, which may be given in any manner.

## **Section Thirteen**

### **BY-LAWS**

### **Amendment, Repeal and Replacement**

13.1 Subject to the Act and the Articles, the by-laws may be amended, repealed and replaced by

- (a) the members by ordinary resolution; or
- (b) directors by ordinary resolution, but any by-law so enacted, amended, or repealed must be submitted to the members at the next meeting of members for confirmation, rejection, or amendment.

### **Effective Date**

13.2 The by-laws or any amendment or repeal shall come into force in accordance with the Act on the day the resolution approving the by-laws is passed or the day specified in the by-laws or resolution, whichever is later.

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I **GARNET DRENNAR** of **WINNIPEG** in the Province of Manitoba, President of **SOUTH OSBORNE HOUSING COOPERATIVE LTD.** hereby certify that the foregoing are the by-laws of the Cooperative.

Date President