

WEST HILLS CO-OPERATIVE HOMES INC.

BY-LAW No. 3

ORGANIZATIONAL BY-LAW

A By-law which contains the rules for the organization of West Hills Cooperative Homes Inc.

Passed by the board of directors on the _____ day of _____ 20 ____.

Confirmed by the members on the _____ day of _____ 20 ____.

TABLE OF CONTENTS

Organizational By-law	6
Article 1 About This By-law	7
1.1 Priority of This By-law	7
Article 2 Membership	8
2.1 Membership.....	8
2.2 Qualifications for Membership	8
2.3 Applying for Membership.....	8
2.4 Transfers and Withdrawals.....	9
Article 3 Members' Meetings	10
3.1 Annual Members' Meetings.....	10
3.2 Regular Members' Meetings.....	10
3.3 Special Members' Meetings.....	10
3.4 Place of Meetings	10
3.5 Notice of Members' Meetings.....	10
3.6 Agenda of Regular or Special Members' Meetings	11
3.7 Continuing a Meeting on Another Date	12
3.8 Quorum at Members' Meetings	13
3.9 Attendance by Non-Members	13
3.10 Record of Attendance.....	14
3.11 Conduct of Members' Meetings.....	14
3.12 Voting.....	14
Article 4 Member Control	15
4.1 Powers of Board and Members	15
4.2 Requisition for Passing a By-law or Directors' Resolution	15

TABLE OF CONTENTS

4.3	Requisition To Put a Resolution on the Agenda of a Members' Meeting	16
4.4	Requisition for a Members' Meeting	17
Article 5	Board of Directors	18
5.1	Powers and Duties of the Board	18
5.2	Number of Directors and Quorum	18
5.3	Who Can Act as a Director	18
5.4	Election of Directors	19
5.5	Election Officer or Committee	20
5.6	Procedures for Elections.....	20
5.7	Term of Office.....	21
5.8	Conduct of Individual Directors.....	22
5.9	Indemnification of Directors	22
5.10	Resignation of a Director	23
5.11	Removal of a Director	23
5.12	Vacancy.....	24
5.13	Board Meetings	25
5.14	Members, Non-Members and Employees at Board Meetings	27
5.15	Minutes of Board Meetings.....	27
Article 6	Officers	28
6.1	Meaning of "Officers"	28
6.2	Election of Officers	28
6.3	Removal of Officers	29
6.4	Resignation of Officers	29
6.5	The President and Vice-President	29
6.6	The Secretary.....	30

TABLE OF CONTENTS

6.7	Recording Secretary and Corporate Secretary	31
6.8	The Treasurer	31
6.9	Delegate to the Golden Horseshoe Co-operative Housing Federation or the Co-operative Housing Federation of Canada	31
Article 7	Staff	32
7.1	Employment of Staff	32
7.2	Supervision of Staff.....	32
Article 8	Committees	33
8.1	Creating Committees.....	33
8.2	Role of Committees.....	33
8.3	Chair of a Committee	33
8.4	Participation	33
Article 9	Conflict of Interest	34
9.1	Good Faith of Directors.....	34
9.2	What is Conflict of Interest?	34
9.3	Examples of Conflict of Interest	34
9.4	Procedures	35
9.5	Avoiding Conflict of Interest	35
9.6	Personal Relationships	36
9(a)4	Payment of Directors.....	37
9(a)5	Declarations.....	37
9(a)6	Information to the Ministry	37
9(a)	Schedule A – Section 98 of the Act	38
9(a)	Schedule B – Conflict of Interest Declaration	40

TABLE OF CONTENTS

Article 10	Information and Confidentiality	41
10.1	Access to Member’s Files and Accounts	41
10.2	Confidentiality of Board and Committee Business	41
Article 11	Financial	43
11.1	Fiscal Year	43
11.2	Bonding Officers and Employees	43
11.3	Auditor	43
11.4	Auditor’s Report	43
11.5	Signing Officers	44
11.6	Power to Borrow	44
11.7	Investment of Co-op Funds	45
Article 12	Membership in Federations	46
12.1	Membership in Federations	46
Article 13	Notice	47
13.1	Defects in Notice	47
13.2	Delivery of Notice	47
13.3	Calculating Time for Notices	47
Schedules to the By-law		
A	Rules of Order for Members’ Meetings	50
B	Agreement To Be a Director	58
C	Director’s Indemnity Agreement	59
D	Confidentiality Agreement	60
E	Board Responsibilities	61

ORGANIZATIONAL BY-LAW

By-law No. 3 Organizational By-law

This By-law contains the rules under which West Hills Cooperative Homes Inc., (the co-op) is organized. The *Co-operative Corporations Act* (the *Act*) regulates the co-op. Certain parts of the *Act* contain rules which are not included in this By-law. Members should refer to them when questions come up.

1. ABOUT THIS BY-LAW

Article 1: About This By-law

1.1

Priority of This By-law

- (a) This By-law repeals previous organizational by-laws and/or policies pertaining to the organization of West Hills Co-operative Homes Inc. Any future by-law can only amend this By-law if the future by-law states that it is doing so.
- (b) If there is a conflict between documents, the documents will govern in the following order:
 - i) first, the *Act*
 - ii) second, the Articles of Incorporation
 - iii) third, 9.2 and 11.5 of this By-law, to meet the requirements of the Ministry of Housing
 - iv) fourth, the Occupancy By-law of the co-op. and
 - v) fifth, the rest of this By-law, the other by-laws, and the legally adopted policies, rules and regulations of the co-op.

The co-op, board, members and employees must follow this order of priority.

2. MEMBERSHIP

Article 2: Membership

2.1 Membership

To become members of the co-op. applicants must be approved by the board and become residents of the co-op.

When considering applications, the co-op must comply with the *Ontario Human Rights Code*.

2.2 Qualifications for Membership

To become members of the co-op. applicants must be sixteen years or older. The co-op may have other by-laws stating qualifications that applicants must have.

2.3 Applying for Membership

- (a) Persons must apply for membership in writing on the form that the co-op provides.
- (b) All members of an applicant's household who are eighteen years or older, and intend to live in the co-op. must apply for membership or long-term guest status. If they do not, the co-op will not consider the application.
- (c) New members must
 - i) sign the occupancy agreement
 - ii) pay the lifetime membership fee
 - iii) pay the member deposit, and
 - iv) pay the first month's housing charge.

Applicants will still become members even if they do not do the above, as long as they comply with 2.1 of this By-law.

- (d) The board can require a new member to have a co-signer or to make other special financial arrangements.

2. MEMBERSHIP

- (e) If long-term guests are permitted as part of an applicant's household, the long-term guests and the member must sign a long-term guest agreement as stated in the Occupancy By-law.

2.4 Transfers and Withdrawals

Members cannot transfer their membership to any other person. Rules that apply to withdrawing from membership are in the *Act* and Articles 7 and 8 of the Occupancy By-law. Membership ends when a member dies. Membership is automatically terminated when the member ends occupancy.

3. MEMBERS' MEETINGS

Article 3: Members' Meetings

3.1

Annual

Members' Meetings

Annual General Meetings must be held no later than;

- a) fifteen months after the last annual meeting, or
- b) six months from the end of the co-op's fiscal year.

3.2

Regular

Members' Meetings

The board must call regular members' meetings at least four times a year. These meetings are in addition to the annual meeting.

3.3

Special

Members' Meetings

The board or the members at a proper meeting can call a special members' meeting. Members' meetings can also be called as stated in Article 4 of this By-law.

3.4

Place of Meetings

Members' meetings must be held in the regional municipality of Hamilton-Wentworth.

3.5

Notice of

Members' Meetings

Notice of any members' meeting must be given to the members not less than ten days nor more than fifty days before the date of the meeting. Notice must include the time and place of the meeting. Notice must be given to everyone who is a member at least ten days before the date for the meeting. 13.2 of this Bylaw states rules for giving notice. 13.3 of this By-law states how to calculate the right date for giving notice.

3. MEMBERS' MEETINGS

3.6

Agenda of Regular or Special Members' Meetings

- (a) The agenda for each annual meeting must include
- i) approving the auditor's report
 - ii) approving the financial statements, and
 - iii) appointing the auditor for the next year.
- The agenda usually includes the election of directors, and reports from the board, committees and staff.

NB. At West Hills the past practice has been to hold the elections of officers at the June Meeting; set the budget at the August Meeting; have the auditor's report at his earliest convenience and availability (usually in the autumn); plus other general meetings as required for a total of at least four (4) annually.

The agenda must also include the general nature of any other business to be dealt with at the meeting. Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda.

- (b) The board sets the advance agenda for all members' meetings. The notice calling the meeting must either include the agenda or be sent with the agenda. The notice must state the general nature of the items that the members will consider. Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda, excluding general interest, good, and welfare type of motions. If proper notice is given, the members can make any decision or pass any version of a by-law or budget. They can do this even if the version they pass is different from, or contrary to, the original.

Members can add items to the advance agenda as stated in 3.6(d) and (e) of this By-law.

- (c) At the meeting the members can adopt the advance agenda with or without changes. However, only those items that were included in the notice of meeting or advance agenda distributed by the board, or in a notice as stated in 3.6(d) of this By-law, can be voted on. Items added to the agenda under 3.6 of this By-law must be within the authority of the members as stated in 4.1 of this By-law.

3. MEMBERS' MEETINGS

- (d) Members can have any item put on the advance agenda. However, members must give the secretary written notice of the item at least seven days before the deadline for sending out the notice of the meeting.

Any items which members add will be put at the end of the advance agenda unless the members change the order of the agenda during the meeting.

- (e) If the members do not give notice to the secretary in time, they can, at their own expense, give written notice directly to all members at least ten days before the date of the meeting.
- (f) A copy of a proposed by-law or budget does not have to be given with the agenda or notice of meeting. However, a copy must be given to each member as stated in 13.2 of this By-law at least five days before the meeting.

3.7

Continuing a Meeting on Another Date

- (a) If business is not completed at a meeting, the members can make a decision to continue the meeting on another date. The members can set a specific date, or state how a date will be chosen. A majority vote is needed to make the decision.

The agenda of the original meeting will be followed at the continued meeting unless the members decide to change it.

- (b) If the members set a specific date for the continued meeting, there is no need to give another notice. If they do not set a specific date, the board must give at least two days notice of the continued meeting unless the members decided on a different notice period.
- (c) Decisions made at a continued meeting will have the same effect as if they were made at the original meeting.

3. MEMBERS' MEETINGS

3.8

Quorum at Members' Meetings

- (a) Quorum at members' meetings means the minimum number of members who must be present for the co-op to hold a members' meeting and make decisions or transact any business.

If there is no quorum, anything discussed has no official status.

- (b) Thirty percent of the members with 25 units represented make up a quorum.
- (c) A meeting must be called off if a quorum has not arrived thirty minutes after the meeting is scheduled to start. The members who are present can vote to continue the meeting on a date not less than five and not more than fifteen days later. There must be at least two days notice of the continued meeting.
- (c) If a full quorum has not arrived one hour after the continued meeting is scheduled to start, the quorum for that meeting will be ten percent of the members.
- (e) If members have requisitioned a meeting and there is no quorum present thirty minutes after the meeting was scheduled to start, the meeting must be called off. Those present do not have the right to continue the meeting as in 3.8(c). The board does not have to call another meeting in response to the requisition.

3.9

Attendance by Non-Members

- (a) Employees of the co-op who are not members have the right to attend and speak at members' meetings unless the members decide otherwise. They cannot vote or make motions.
- (b) Other non-members can attend and speak at meetings only if the chair gives them permission. The members can reverse the chair's permission. Non-members cannot vote or make motions.

3. MEMBERS' MEETINGS

3.10 Record of Attendance

The secretary is responsible for recording the names of all persons who attend members' meetings.

3.11 Conduct of Members' Meetings

The Rules of Order are a part of this By-law and are attached as Schedule A.

The chair uses the Rules of Order to run members' meetings, and decides any question about procedure which is not in the Rules of Order. The members have the right to appeal the chair's ruling as stated in the Rules of Order.

3.12 Voting

- (a) Every member of the co-op has the right to one vote at any members' meeting. Anyone can vote who is a member at the time that the vote is held.
- (b) Only members who are present at the meeting can vote. Members cannot appoint someone else to vote for them.
- (c) A majority vote is needed to make any decision, unless a by-law, or the *Act*, states differently.
- (d) A two-thirds majority is needed to pass or amend by-laws.
- (e) An abstention is not counted as a vote. A tie vote defeats the motion.

4. MEMBER CONTROL

Article 4: Member Control

4.1

Powers of Board and Members

- (a) The board runs the business of the co-op. The members do not do this directly. However, the powers of the members include
 - i) electing directors under 5.4 of this By-law
 - ii) removing directors under 5.11 of this By-law
 - iii) approving the budget and housing charges under Article 4 of the Occupancy By-law
 - iv) requisitioning directors to act under Article 4 of this By-law, and
 - v) appointing the auditor each year under 11.3 of this By-law.
- (b) The *Act* allows members' meetings to make decisions if
 - i) the by-laws or the *Act* say that a members' meeting must decide something
 - ii) the by-laws or the *Act* give members the right to overrule a board decision, or
 - iii) members follow the procedures in the *Act* and in Article 4 of this By-law.

4.2

Requisition for Passing a By-law or Directors' Resolution

- (a) Ten percent of the members can requisition the directors to pass any by-law or resolution. They must sign and deliver a notice to the co-op's office. The notice must state the wording of the by-law or resolution.
- (b) The board does not have to comply with the notice. If it wishes to comply, it must pass the by-law or make the

4. MEMBER CONTROL

decision within twenty-one days. If confirmation is required, the board must also call a members' meeting to confirm it within the twenty-one day time limit, or put it on the agenda for a meeting that has already been called. The meeting does not have to be held within the twenty-one day limit.

If the board does not wish to comply with the notice, any of the members who requisitioned the meeting can call a members' meeting for that purpose. This members' meeting has the full power to pass the by-law or make the decision. This is the only way that members can adopt a by-law that the board has not passed.

- (c) The rules for these requisitions are in section 70 of the *Act*.

4.3 Requisition To Put a Resolution on the Agenda of a Members' Meeting

- (a) Five per cent of the members can requisition the directors to put a resolution on the advance agenda for the next members' meeting. They must sign and deliver a notice to the co-op's office. The notice must state the wording of the resolution. This notice may include an explanation of the resolution of no more than one thousand words. The board will include this with the notice.
- (b) This procedure does not allow the members to
 - i) pass a by-law unless the board has already passed it, or
 - ii) make a decision unless the members already had the right to make it without a requisition.

It does allow members to remove a director under 5.11 of this By-law.

- (c) Members can have any item put on the advance agenda for a members' meeting as stated in 3.6(d) of this By-law.

4. MEMBER CONTROL

- (d) The rules for these requisitions are in section 71 of the *Act*.

4.4 Requisition for a Members' Meeting

- (a) Five percent of the members can requisition the directors to call a meeting for any purpose that is
 - i) connected with the business of the co-op. and
 - ii) is in agreement with the *Act*.

They must sign and deliver a notice to the co-op's office. The notice must state the purpose for calling the meeting.

- (b) The board can include the business of the requisitioned meeting as part of any meeting that is scheduled during the time period stated in section 79 of the *Act*. Therefore, it is not necessarily a separate meeting.
- (c) This right to requisition does not allow the members to pass a by-law unless the board has already passed it. This procedure is to be used when the board is not calling members' meetings as often as it should. It does not give the members any authority which they do not already have.
- (d) The rules for these requisitions are in section 79 of the *Act*.

5. BOARD OF DIRECTORS

Article 5: Board of Directors

5.1

Powers and Duties of the Board

- (a) The board manages and directs the business of the co-op. It can use all the powers of the co-op, unless the *Act* or the by-laws say that a members' meeting is needed to decide on a specific matter.
- (b) The board can act only by a decision at a proper board meeting.
- (c) The board must carry out the list of responsibilities attached to this By-law as Schedule E.

5.2

Number of Directors and Quorum

- (a) The board is made up of seven directors.
- (b) Quorum at board meetings means the minimum number of directors who must be present to hold a board meeting and make decisions or transact any business.
- (c) Four directors make up a quorum to deal with the business of the co-op.

5.3

Who Can Act as a Director

- (a) The rules stating who can be a director are in section 89 of the *Act*. They are repeated in this By-law.

To be a director, a person must be eighteen years or older and a member of the co-op.

A majority of directors must be Canadian citizens or landed immigrants. Anyone who is an undischarged bankrupt or mentally incompetent cannot be a director.

- (b) Directors must be elected at a members' meeting. Members cannot be directors if they were present at a

5. BOARD OF DIRECTORS

meeting and refused to accept the office. If absent, a person must agree in writing to be a director. They must do this within ten days of the meeting. If not, there is a vacancy on the board and 5.12 of this By-law applies.

The co-op can use the sample agreement form that is attached to this By-law as Schedule B.

5.4 Election of Directors

- (a) Members elect the directors. Normally, elections take place at the June meeting but they can be scheduled for another meeting. If vacancies occur, the board appoints someone as stated in 5.12 of this By-law.
- (b) Sections 90 and 91 of *The Act* state the election procedures that the co-op must follow.

The election is by secret ballot. Members must cast a number of votes equal to the number of positions to be filled. Any ballot which has more or less votes will not be counted. For example, if the meeting is electing seven directors, then members must vote for seven of the candidates. Members cannot vote more than once for a candidate. Members cannot appoint someone else to vote for them.

- (c) If the number of nominees is equal to the number to be elected, or less, the secretary will cast a single vote in favour of all the candidates.
- (d) Members can vote only during a proper meeting. There must be a quorum present from the time the ballot boxes open until the final vote is cast. There does not have to be a quorum present while the votes are being counted and when the results of the vote are announced. If there is a tie and a quorum is no longer present, then the board must call a new meeting to complete the election.

5. BOARD OF DIRECTORS

5.5

Election Officer or Committee

- (a) Before the meeting to elect directors, the board can appoint an election officer or an election committee. The officer or committee members do not have to be members of the co-op.

The election officer or committee is responsible for

- i) giving information about the election to the members, including educating members on the duties and responsibilities of the board
 - ii) getting candidates
 - iii) making sure that the election follows the rules stated in the *Act* and the co-op's by-laws, and
 - iv) supplying initialed ballots with a number of spaces equal to the number of directors to be elected.
- (b) The election officer or committee should try to have more candidates than the number of directors to be elected.
 - (c) If the election officer or committee presents a list of candidates to the meeting, those candidates still have to be nominated. Members can nominate any other candidate.

5.6

Procedures for Elections

- (a) The members can appoint an election officer or committee. If the board has appointed an election officer or committee for the election meeting, the members can approve this appointment for the meeting or appoint someone else. If no one is appointed, the chair can perform the duties of the election officer or committee or appoint someone else.
- (b) The candidates who receive the greatest number of votes are elected to the board. The election officer or committee

5. BOARD OF DIRECTORS

counts the votes and announces the results. The officer or committee should not announce the number of votes that each candidate got or the order in which they finished.

- (c) A second election must be held immediately if there is a tie for the final position on the board. In the second election only the candidates who were tied for the final position can be on the ballot.
- (d) If a quorum is present and a member moves to have a recount immediately after the results are announced, and nine members agree, there must be an immediate recount with scrutineers present. Detailed results must be announced.
- (e) After the election, the election officer or committee must return the ballots to the ballot box. The ballots must be kept in a sealed container in the co-op office, or some other safe place, for seven days. Then the officer can destroy the ballots.
- (f) During the seven day period ten percent of the members can requisition a special members' meeting to recount the votes. If this happens, the ballots must be kept until the requisitioned meeting. There must be scrutineers present at the recount and detailed results must be announced. Until the recount, the results announced at the election meeting will stand.

5.7 Term of Office

- (a) All directors will be elected to two year terms.
- (b) Unless they resign or are removed, directors serve until the first board meeting following the election of their successors.

5. BOARD OF DIRECTORS

5.8

Conduct of Individual Directors

Each director must

- a) act honestly, in good faith and in the best interests of the co-op at all times
- b) attend all board and members' meetings, unless excused by the board
- c) prepare for all meetings, and
- d) keep confidential any private information about the affairs of the co-op, its members or staff.

5.9

Indemnification of Directors

- (a) The co-op will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the *Act*. This includes paying for any judgment or costs against directors and officers less any costs that result from failing to comply with their duties to the co-op. The co-op will indemnify all employees to the same extent.

The co-op should sign an agreement promising to do this. The co-op can use the sample agreement form that is attached to this By-law as Schedule C.

- (b) The co-op must purchase insurance to cover this liability.

5. BOARD OF DIRECTORS

5.10 Resignation of a Director

A director can resign by giving written notice, delivered either to the president or to the co-op office.

The resignation will not take effect until the board accepts it. The board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

5.11 Removal of a Director

- (a) Members can remove a director

The members can remove any director before the end of the director's term. Notice that a motion will be made to remove a director must be given at least ten days before the meeting. This motion must be passed by a majority vote.

- (b) The board can recommend removal

The board can recommend that the members remove a director if the director

- i) is absent from three consecutive board meetings without permission or proper excuse
- ii) has broken the confidentiality rules in Article 10 of this By-law
- iii) has not carried out the other responsibilities of a director, or
- iv) has not carried out the responsibilities of a member or has broken the co-op's by-laws.

The board must give written notice to the director of the board meeting held to discuss the recommendation. The notice must state:

- i) the time and place of the meeting, and

5. BOARD OF DIRECTORS

- ii) the reasons for the recommendation.

Notice must be given to the director at least seven days before the meeting.

The director can appear and speak at that board meeting. The board decides and votes on the recommendation without the director present.

If the board votes to recommend the removal of a director, it must present a resolution to the next members' meeting. The members must then make a decision. The director remains in office until the members make a decision.

5.12 Vacancy

- (a) When the members remove a director

The members can elect any qualified person to replace the director for the rest of the term of the former director. If the members do not do this, then 5.12(b) applies.

- (b) When vacancies occur for any other reason

If there is still a quorum on the board, the directors can appoint a qualified person for the rest of the term of the former director.

The appointment takes effect immediately. But the election of the director must be put on the agenda for the next members' meeting. The appointment will be considered confirmed unless the members elect someone else.

If no quorum of directors remains in office, the remaining directors must call a members' meeting to fill the vacancies. At that meeting the members elect directors to serve the rest of the terms of the former directors.

- (c) 5.4, 5.5 and 5.6 of this By-law apply to filling vacancies except that normally there is not an election committee.

5. BOARD OF DIRECTORS

5.13

Board Meetings

(a) Place of meetings

Board meetings must be held in the regional municipality of Hamilton-Wentworth.

(b) Regular meetings

The board must hold regular monthly meetings on a date decided at the previous meeting, or at a regular time set by the board. There is no need to give notice of regular meetings.

(c) Special meetings

The board can hold special meetings. A special meeting can be called by a decision of the board, by the president or vice-president, or by a quorum of directors.

Each director must be given at least three days written notice of a special meeting. The notice must state the general nature of the meeting's business.

(d) Emergency meetings

A special meeting of the board can be called on less than three days notice if

- i) there is an emergency, and
- ii) a quorum of directors is present at the meeting.

Emergency meetings can be called only in very unusual circumstances. For example, roof repairs might have to be done immediately to avoid serious damage. Notice of an emergency meeting must be given in writing or by telephone, and both if possible.

There must be a report to the next regular directors' meeting of any decision made at an emergency meeting.

5. BOARD OF DIRECTORS

(e) Agenda of a board meeting

An agenda should be given to directors before a board meeting. The agenda contains the items that the directors will consider at the meeting. At regular meetings, however, the board can consider or adopt any motion even if no notice of the item was given.

At special meetings or at emergency meetings, the board can only consider the business stated in the notice, or the agenda given with the notice.

(f) Giving up the right to a notice

Directors can give up their right to a notice. This must be done in writing.

(g) Chair

The chair of board meetings can be either the president or another person chosen by the board.

The chair will not vote on matters which come before board meetings, unless there is a second vote due to a tie.

(h) Voting

A majority vote is needed to make a decision unless this By-law states differently.

(i) Procedures

This By-law's procedures for members' meetings and the Rules of Order also apply to board meetings except when this By-law states differently. Procedures at board meetings will be the same as members' meetings with all appropriate changes.

6. BOARD OF DIRECTORS

- (j) Taking part in meetings

If none of the directors present at a meeting objects, any or all directors can participate in a board meeting by telephone or other communication equipment. All the directors must be able to hear each other.

5.14 Members, Non-Members and Employees at Board Meetings

Members and employees of the co-op can attend board meetings except when the board makes a decision stating that some or all of the business of the meeting is confidential. Persons who are not directors can speak with the board's permission, but they cannot make motions or vote.

5.15 Minutes of Board Meetings

- (a) The minutes, or brief summaries, of all board meetings should be made available to members as soon as possible after the meeting.

For example, this can be done by publishing them in the co-op newsletter, sending them to members' units, or putting them up in a prominent location in the co-op.

A copy of the board minutes must be available to members in the co-op office during regular office hours.

- (b) Confidential minutes must only be available to board members unless the board decides otherwise.

6. OFFICERS

Article 6: Officers

6.1

Meaning of “Officers”

Unless this By-law or the *Act* states differently, the word “officers” means only the officers as stated in this article. It does not refer to employees of the co-op.

6.2

Election of Officers

(a) The board elects the following officers annually, or more often as needed:

- i) president
- ii) vice-president
- iii) secretary
- iv) treasurer

plus

- the delegate to the Golden Horseshoe Co-operative Housing Federation, and
- the delegate to the Co-operative Housing Federation of Canada.
- the delegate to any other organization that West Hills belongs to

All officers will be elected at the first meeting after the board’s election. The board can fill vacancies as necessary. The board can elect any other officers and give them any authority and duties.

(b) No person can hold more than one of the following offices: president, vice-president, secretary, except that an officer can be elected as delegate to the Golden Horseshoe Co-operative Housing Federation or the Co-operative Housing Federation of Canada. The same person can be a delegate to both federations.

(c) All officers must be members of the co-op.

6. OFFICERS

The office of president or vice-president becomes vacant as soon as the office-holder resigns, or is removed, as a director.

6.3 Removal of Officers

This section deals with removing an officer. 5.11 of this By-law deals with removing a director.

- (a) A majority of the board can remove any officer by a decision at any time and for any reason. Notice of this decision must be given to all directors.
- (b) The directors can immediately choose another qualified person to fill the vacancy.

6.4 Resignation of Officers

This section deals with the resignation of an officer. 5.10 of this By-law deals with the resignation of a director.

An officer can resign by giving written notice to the president or the office of the co-op. The resignation takes effect when the board accepts it. The board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

6.5 The President and Vice-President

- (a) The president
 - i) gives leadership to the co-op
 - ii) follows the decisions approved at board and members' meetings, and
 - iii) co-ordinates the work of the board, committees, members and staff.
- (b) The president and vice-president work together to carry out the above responsibilities. They decide how they will share them. They review their roles regularly to make sure that they are carrying out all the responsibilities.

6. OFFICERS

6.6

The Secretary

- (a) The secretary must ensure that
 - i) all required notices of board and members' meetings are given
 - ii) all the necessary documents for board and members' meetings are provided
 - iii) the minute book of the co-op is kept up to date
 - iv) all legally required notices are given, such as the notice of meetings
 - v) all necessary notices are filed with the Ministry of Financial Institutions
 - vi) complete minutes of all board and members' meetings are kept and distributed before the next meeting, and
 - vi) a copy of all new by-laws is given to the members as soon as possible after they are confirmed.
- (b) The secretary will not personally perform these duties if they are part of staff duties. The co-ordinator or manager must see that all the staff duties are done and that legal requirements are met.

6. OFFICERS

6.7

Recording Secretary and Corporate Secretary

The board can appoint a recording secretary and a corporate secretary.

- (a) A recording secretary takes and distributes the minutes of board and members' meetings.
- (b) A corporate secretary is responsible for all the other duties of the secretary.

6.8

The Treasurer

The treasurer must understand and review the co-op's finances and report on them to the board, the finance committee and the members. The co-ordinator or manager is responsible for the day-to-day financial management of the co-op.

6.9

Delegate to the Golden Horseshoe Co-operative Housing Federation or the Co-operative Housing Federation of Canada

The delegate to each of these federations

- a) represents the co-op at meetings of the federation
- b) informs the board and the members of what the federation is doing
- c) informs the federation of the views and concerns of the co-op. and
- d) votes at federation meetings. The delegate must get direction from the board on important issues if there is time.

7. STAFF

Article 7: Staff

7.1

Employment of Staff

- (a) The board hires employees to fill all staff positions.
- (b) The board should provide a job description for each staff position where appropriate. The job description states the responsibilities and authority of the position.
- (c) The board and the members must pass a by-law or a special resolution if they want to employ an outside agency to provide management services.
- (d) A permanent full-time employee cannot live in the co-op.
- (e) The Board and members will treat Staff and other members with courtesy and respect.

7.2

Supervision of Staff

- (a) The board is the final authority for the co-op in relation to employees. It sets the terms of employment.
- (b) The employees work under the instructions of the board. However, the personnel policy or job description may state that some employees will work under the instructions of a senior employee.
- (c) Employees must provide any information about their position that the board asks for.

8. COMMITTEES

Article 8: Committees

8.1

Creating Committees

There are two ways to create a committee.

- (a) The board can create a committee. It can decide on the duties of the committee and appoint the committee's members.
- (b) A members' meeting can create a committee. The members' meeting can decide on the duties of this committee and appoint the committee's members. These duties are limited by 8.2(b) of this By-law. If the members' meeting does not decide on the duties, the board can do so.

8.2

Role of Committees

- (a) Each committee reports to the board at least quarterly.
- (b) A committee must have the authority from a by-law or from a motion passed by the board to
 - i) spend any money
 - ii) authorize any expense
 - iii) enter into any contract, or
 - iv) commit the co-op to any action.

8.3

Chair of a Committee

A director will not sit on a standing committee except in an advisory capacity. A member of a director's household will not serve as chairperson of any standing committee.

8.4

Participation

Members are limited to participation on no more than 2 standing committees at any time.

9 CONFLICT OF INTEREST

Article 9: Conflict of Interest

9.1

Good Faith of Directors

All directors, officers, committee members and employees must carry out their duties honestly, in good faith and in best interests of the co-operative rather than in their personal interest. Directors understand that they must follow the co-op's by-laws and the operating agreement with the province regarding conflict of interest.

9.2

What is Conflict Of Interest?

A conflict of interest can happen when some living in a co-op or an employee:

1. makes or takes part in a decision affecting the co-op's affairs, and
2. the result of that decision gives the person a financial or other benefit which the rest of the co-op members do not have, or which only a few other members have. This financial or other benefit may be direct or indirect.

9.3

Examples

Examples of conflict of interest are:

1. The co-op signs a contract with someone living in the co-op, an employee of the coop, or a company in which they, their household members or relatives have a financial interest or stock;
2. Someone living in the co-op or an employee is involved personally in a procedure of discipline where they made the complaint, or where a household member, friend or relative is being disciplined;
3. The board gives out on-call positions to friends or family without telling all members that positions are available.

There are other types of conflict of interest. The co-op should deal with them by using the principles contained in this by-law

9. CONFLICT OF INTEREST

9.4 Procedures

The facts of each case are different, and careful judgment is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the co-op's business practices and the government-funding program.

Therefore, the board and members should follow the procedures below to determine if there is a conflict and to deal with the conflict if it exists.

(a) **When a director has or may have a conflict of interest**

When a director has or may have a conflict of interest: the director must declare the conflict of interest, or possible conflict of interest, in writing at or before the board meeting considering the matter. This declaration must be recorded in the minutes of the meeting. If the director does not declare a conflict of interest or possible conflict of interest, but another director is aware of one, the other director should bring it up at the meeting.

The board then decides if there is a conflict of interest.

If the board decides that there is a conflict of interest the director cannot vote on the matter and must not be present at any of the parts of meetings when the matter is discussed.

(b) **Financial conflicts of interest**

This paragraph applies in addition to paragraph 9(a)2. 1(a) if a director has or may have a financial conflict of interest.

The board can enter into the contract or agreement if the board believes that their decision is in the best interests of the co-op and is appropriate for a body that receives significant public funding.

Where there is a financial conflict of interest and the board enters into the contract they must report it at the next meeting of the members.

If the board does not enter into the contract or agreement the minutes must show this.

9. CONFLICT OF INTEREST

(c) **When a committee member has or may have a conflict of interest**

A committee must follow the same procedures as the board if a committee member has or may have a conflict of interest. The matter can be appealed to the board if there is a dispute. The board's decision is final.

(d) **When an employee has or may have a conflict of interest**

An employee who has or may have a conflict of interest must report it to the employee's supervisor and follow the supervisor's directions.

The manager/co-ordinator must report a conflict of interest to the staff liaison (if there is one) or to the president. The president or staff liaison will report it to the board. The manager/co-ordinator must follow the board's directions. Where the co-op retains a management company, the company and all its personnel must follow the same procedures as an employee of the co-op. Where there are officers of the co-op who are not directors, they must follow the same procedures as employees.

(e) **Members' conflicts of interest**

At members' meetings, all members can discuss and vote as they wish, even if they have a conflict of interest. However, members must declare the conflict of interest before taking part in the discussion. Members should try to act in the best interests of the co-op as a whole.

These procedures are in addition to, and do not replace, the requirements of the *Cooperative Corporations Act* (Section 98 attached: Schedule A, pages 37A & 37B of this By-Law).

9.5 Avoiding Conflict of Interest

The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any that may result in a conflict of interest unless the situation is resolved as in 9(a) 2.

9. CONFLICT OF INTEREST

9(a)3.2 The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.

9(a)3.3 The board and staff must follow the procedures set out in the Spending By-law.

9(a)4 Payment of Directors

9(a)4.1 Directors and officers serve without payment of any kind. However, they have the right to be paid for travelling or other expenses while doing business for the co-op as long as the expenses are reasonable. The board must authorize these expenses. These expenses must meet any guidelines and limits set by the board. Directors cannot receive compensation for lost income while doing business for the co-op.

9(a)4.2 Despite anything else in this by-law, directors and officers cannot enter into any contracts with the co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.

9(a)4.3 Directors and officers hired by the co-op to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of one day or less a week.

9(a)5 Declarations

9(a)5.1 All directors and staff must sign the Conflict of Interest Declaration (attached: Schedule B page 40 of this By-Law). Directors and staff will sign when they begin their term, and existing directors and staff will sign annually.

9(a)6 Information to the Ministry

9(a)6.1 The board must report to the Ministry the minutes of any meeting where the board decides to enter into a contract or agreement with a conflict of interest. The minutes must record the options the board considered and the board's decision. The minutes must also show how the board's decision was in the best interests of the co-op and is appropriate for a body that receives significant public funding

9(a) CONFLICT OF INTEREST

Schedule A

Section 98 from the *Co-operative Corporations Act*

98. (1) Every director of a co-operative who has, directly or indirectly, any interest Disclosure by in any contract or transaction to which the co-operative or a subsidiary thereof **directors Of** is or is to be a party, other than a contract or transaction in which the **interests in** director's interest is limited solely to his or her remuneration as a director, contracts officer or employee, shall declare his or her conflict of interest in such contract or transaction at a meeting of the directors of the co-operative and shall at that time disclose the nature and extent of such interest including, as to any contract or transaction involving the purchase or sale of property by or to the cooperative or a subsidiary thereof, the cost of the property to the purchaser and the cost thereof to the seller, if acquired by the seller within five years before the date of the contract or transaction, to the extent to which such interest or information is within the director's knowledge or control, and shall not vote and shall not in respect of such contract or transaction be counted in the quorum.

Interest to be

- (2) Subsection (1) does not require the disclosure of any interest in any material contract or transaction unless,
- (a) the interest and the contract or transaction are both material; or
 - (b) the subject of the contract or transaction is of a type not available to all members of the co-operative.

When declaration of interest to be made

- (3) The declaration required by this section shall be made at the meeting of the directors at which the proposed contract or transaction is first considered, or if the director is not at the date of the meeting interested in the proposed contract or transaction, at the next meeting of the directors held after he or she becomes so interested, or if the director becomes interested in a contract or transaction after it is entered into, at the first meeting of directors held after he or she becomes so interested, or if a contract or proposed contract or transaction is one that in the ordinary course of the co-operative's business, would not require approval by the directors or shareholders, at the first meeting of the directors held after the director becomes aware of it.

Effect of declaration

- (4) If a director has made a declaration and disclosure of his or her interest in a contract or transaction in compliance with this section and has not voted in respect of the contract or transaction at the meeting of the directors of the co-operative, the director, if he or she was acting honestly and in good faith at the time the contract or transaction was entered into, is not by reason only of holding the office of director accountable to the co-operative or to its members for any profit or gain realized from the contract or transaction, and the contract

or transaction, if it was in the best interests of the co-operative at the time the contract or transaction was entered into, is not voidable by reason only of the director's interest therein.

**Confirmation (5)
By members**

Despite anything in this section, a director, if he or she was acting honestly and in good faith, is not accountable to the co-operative or to its members for any profit or gain realized from any such contract or transaction by reason only of holding the office of director, and the contract or transaction, if it was in the best interests of the co-operative at the time it was entered into, is not by reason only of the director's interest therein voidable,

- (a) if the contract or transaction is confirmed or approved by at least two thirds of the votes cast at a general meeting of the members duly called for that purpose; and
- (b) if the nature and extent of the director's interest in the contract or transaction are declared and disclosed in reasonable detail in the notice calling the meeting.

**General
Notice**

- (6) For the purpose of this section, a general notice to the directors by a of interest director declaring that he or she is a director or officer of or has a material interest in a person that is a party to a contract or a proposed contract with the co-operative is a sufficient declaration of interest in relation to any contract so made. R.S.O. 1990, c.C35, s.98.

9(a) CONFLICT OF INTEREST

Schedule B

Conflict of Interest Declaration (Board of Directors and Staff)

West Hills Co-operative Homes Inc.

I agree that I will act honestly, in good faith, and in the best interests of the co-op. I must avoid conflicts, both direct and indirect. I will always put the interests of the co-op before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any co-op contract, business or proposed business as soon as it occurs. The board will deal with the conflict of interest using the procedures set out in the Conflict of Interest By-Law.

Name:

Signature: _____ Date: _____

Declaration to be signed annually by directors and staff

10. INFORMATION AND CONFIDENTIALITY

Article 10: Information and Confidentiality

10.1

Access to Member's Files and Accounts

Members have the right to see their own personal files and financial accounts during co-op office hours. Members may have to make an appointment. If any member believes that there is an error in their personal file or accounts, co-op staff should try to correct the problem. If staff does not think there is a mistake, they should explain the record to the member. If the member is still not satisfied, the member can take the matter to the board by sending a letter to the board or going to a board meeting.

Members can put written statements in their files.

10.2

Confidentiality of Board and Committee Business

- (a) Sometimes directors or committees discuss confidential matters. All directors and committee members must keep these matters secret, even after they are no longer directors, members of the committee, or members of the co-op.
Confidential matters are
 - i) personal and financial information about members and other residents
 - ii) personal information about co-op employees, and
 - iii) information about co-op business which should be kept secret to protect the co-op.
- (b) Officers, employees or members sometimes learn confidential information. They must keep that information secret and not pass it on to anyone else.
- (c) When the board discusses confidential matters, the minutes of these discussions must be kept in a separate section of the minute book. Only board members can see the confidential minutes.

10. INFORMATION AND CONFIDENTIALITY

- (d) Directors must decide which items are confidential. They should remember that members have the right to be fully informed about the co-op's business. They must have a good reason for keeping something confidential.
- (e) Confidential or other personal information may be made available to the board as stated in the Occupancy By-law.
- (f) Directors and committee members should sign a confidentiality agreement. The co-op can use the sample agreement form that is attached to this By-law as Schedule D.

11. FINANCIAL

Article 11: Financial

11.1

Fiscal Year

The fiscal year of the Co-op will commence on the anniversary of the Interest Adjustment Date (IAD) as set by the Ministry of Housing.

11.2

Bonding Officers and Employees

The following persons must be bonded:

- a) every officer or employee in charge of or handling money or securities
- b) every signing officer, and
- c) any other officer, employee or person under contract that the board decides should be bonded.

11.3

Auditor

- (a) The members appoint an auditor annually. The auditor can be either a chartered accountant or a chartered accountant firm.

The auditor stays in office until the members appoint the next auditor. The board will arrange for payment of the auditor if authorized by the members.

- (b) Sections 124 and 125 of the *Act* state how to remove an auditor and appoint a different auditor.
- (c) The auditor must have access to the books, accounts and vouchers of the co-op at all reasonable times.
- (d) The directors, employees and officers of the co-op must provide any information and explanations which the auditor needs.

11.4

Auditor's Report

The auditor reports at the members' meeting on the financial statement of the co-op.

11. FINANCIAL

11.5

Signing Officers

- (a) Four directors, including the Treasurer, will always be signing officers.
- (b) All cheques or other negotiable documents must be signed by two signing officers. Officers must never sign a blank cheque.

Before signing a cheque or other negotiable document, the officers must make sure that the expense has been properly approved.

- (c) All other documents must be signed by two signing officers. This includes any written commitment of the co-op such as a contract for work to be done. Before signing a document, the officers must make sure that the document has been properly approved.

The board can make a specific decision to appoint any officer, director or employee to sign documents, or any class of documents, for the co-op.

- (d) Signing officers must have board approval before making any commitments, or entering into contracts or obligations, for the co-op.
- (e) When authorizing a document, the board can decide its exact form. If it does not, the signing officers can approve the final document.
- (f) Anyone who has the authority to sign documents can also put the corporate seal on a document.

11.6

Power to Borrow

- (a) The board can
 - i) borrow money on the credit of the co-op
 - ii) issue, sell or pledge securities of the co-op. and
 - iii) use the property of the co-op as security for a loan or payment of a debt.
- (b) Total liabilities under 11.6(a) cannot be more than \$25,000, unless the members approve by a special resolution.

11. FINANCIAL

11.7 Investment of Co-op Funds

- (a) The board can invest co-op funds in government bonds, treasury bills or other securities backed by the governments of Canada or Ontario. The board can deposit funds with a
 - i) credit union
 - ii) chartered bank
 - iii) trust company, or
 - iv) Province of Ontario Savings Office.

The board must not invest co-op funds in any investment or security other than those mentioned above without the approval of the members.

- (b) To help promote co-operative principles, the board should consider investing co-op funds in a credit union.
- (c) If there are any reserve or special funds, money earned on them will be put back into the funds.
- (d) When investing funds the board must comply with any limitations in the co-op's agreements with funding authorities.

12. MEMBERSHIP IN FEDERATIONS

Article 12: Membership in Federations

12.1

Membership in Federations

The co-op should become a member of co-operative federations and associations which support and promote co-operative housing. The co-op must pay the reasonable expenses of members appointed to attend federation activities.

13. NOTICE

Article 13: Notice

13.1

Defects in Notice

A minor error or omission in any notice will not affect any decision made by the board or members. This includes accidentally failing to give notice to a person entitled to it. It also includes a person's not receiving a notice that has been sent.

13.2

Delivery of Notice

- (a) Except where the *Act* states otherwise, the co-op needs to give only one notice per unit.

Any notice or other document can be

- i) handed personally to the member
 - ii) left with an adult in the member's unit
 - iii) left in the mail box
 - iv) taped to the door
 - v) delivered in any other manner to the member's
unit, or
 - vi) put in the member's box in the co-op's internal mail box system.
- (b) These rules do not apply to notices given to members when they are being evicted. The rules for eviction notices are in 10.3 of the Occupancy By-law.

13.3

Calculating Time for Notices

When calculating the time for a notice, the date on which the notice is given is not counted, but the date of the meeting or event is counted. For example, a members' meeting is scheduled for Thursday, October 21. The By-law says that there must be a notice of ten days. Counting back ten days, including the day of the meeting, this count will end at Tuesday, October 12. Therefore, notice should be given on or before Monday, October 11. Sundays or holidays are included when counting.

ORGANIZATIONAL BY-LAW

CERTIFIED to be a true copy of By-law No. 3 of West Hills Co-operative Homes Inc., passed by the board of directors at a meeting held on the _____ day of _____ 20__ and confirmed by a two-thirds majority at a meeting of members held on the _____ day of _____ 20 __.

President: _____

Secretary: _____