



Victoria Community Health Co-op (VCHC)

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Special Resolution - Be it resolved that:

To formalize our identity as a Community Service Co-operative, we replace the Memorandum of Association dated 2008 04 16, in its entirety, with the Memorandum of Association below, dated 2021.08.19.

MEMORANDUM OF ASSOCIATION

1 Full name of Association

Victoria Community Health Co-operative

2 Purpose of Association: The purpose of the Association is to provide social, education, health and wellness and other community services on a charitable basis, on and beyond Vancouver Island.

3 Authorized Share Capital

Membership shares

3 a. The capital of the Association consists of an unlimited number of Membership shares with a par value of \$100.

b. No Investment shares may be issued. This is an unalterable clause.

4. Liability of a member

The liability of a member of the Association is limited in accordance with the Cooperative Association Act.

5. Section 178.1 (4) of the Co-operative Association Act applies to the Association. This provision is unalterable.

6. The Association is a Community service Co-operative.

Moved by and seconded by, carried unanimously.

1. We confirm our updated our address: 380 Cook St, Victoria, BC, V8V 3X7

Moved by and seconded by, carried unanimously.

Be it resolved that:

To formalize our identity as a Community Service Co-operative, we replace the Rules of Association dated 2008 04 16, in their entirety, with the Rules of Association below, dated 2021.08.19.

Part 1 — Interpretation – Definitions

1 In these Rules:

"**Act**" means the *Cooperative Association Act* of British Columbia from time to time in force and all amendments to it;

"**adjourned meeting**" means the meeting to which a meeting is adjourned;

"**Association**" means the Victoria Community Health Co-operative.

"**board**" or "**the directors**" mean the directors of the Association for the time being;

"**member**" means a member of the Association and includes a joint member;

"**regulation**" means the regulation under the *Cooperative Association Act* as made and amended from time to time;

"**Rules**" means these Rules and all amendments, additions, deletions or replacements from time to time in force and effect.

Cooperative Association Act definitions apply

2 Subject to Rule 1, words and expressions defined in the Act as they read on the date these Rules become applicable to the Association apply to these Rules, with the necessary changes, so far as applicable.

Interpretation

3 Words in the singular form include the plural and vice versa and words importing a specific gender include the other gender and eligible organizations.

Cooperative Association Act governs

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

Part 2 — Membership

Open membership

5 Membership in the Association is open, subject to approval of the Board, in a non-discriminatory manner to persons who are willing and able to accept the responsibilities of membership, and are seeking or supporting health, wellness, social, educational or other community activities and services.

Application for membership

6 An individual or eligible organization that wishes to become a member must submit to the Association a written application for membership in the form provided by the Association for that purpose and payment for the minimum number of membership shares required under Rule 8 for membership in the Association.

Age qualification

7 To be eligible for membership in the Association, an individual must be at least 16 years of age.

Minimum share requirement

8 Each member must, as a condition of membership, subscribe to at least 1 membership share.

Approval of application

9 The directors, or a person authorized by the directors to approve applications for membership, may approve or refuse an application for membership and may postpone consideration of an application for membership.

Effective date of membership

10 Membership is effective on the day that the application for membership is approved under Rule 9.

Withdrawal from membership

11 A member may withdraw from membership in the Association by

- (a) giving written notice to the directors of the member's intention to withdraw, and
- (b) surrendering any share certificates in respect of membership shares.

Effective date of withdrawal

12 The membership of a member ceases on the date the member has complied with the requirements of Rule 11.

Notice of death or bankruptcy of individual member

13 Subject to Rule 23 (2), notice to the Association of the death or bankruptcy of an individual member has the same effect as a notice of intention to withdraw, and Rules 11, 12, 17 and 49 apply with the necessary changes, so far as applicable.

Notice of bankruptcy, liquidation or dissolution of eligible organization member

14 Notice to the Association of the bankruptcy, liquidation or dissolution of a member that is an eligible organization has the same effect as a notice of intention to withdraw, and Rules 11, 12, 17 and 49 apply with the necessary changes, so far as applicable.

Grounds for termination of membership

15 The Association may terminate the membership of a member in accordance with the Act if

- (a) the member has engaged in conduct detrimental to the Association,
- (b) the member has not paid money due by the member to the Association within a reasonable time after receiving written notice to do so from the Association,

- (c) in the opinion of the directors, based on reasonable grounds, the member
 - (i) has breached a material condition of an agreement with the Association, and
 - (ii) has not rectified the breach within a reasonable time after receiving written notice to do so from the Association, or
- (d) the member has not transacted any business with the Association for a period of 2 consecutive years.

[CAA, 1999, section 34]

Part 3 — Joint Membership

Joint membership

18 Two or more individuals or eligible organizations may apply in accordance with Rule 6 to be joint members and, if the application is approved under Rule 9, the joint members hold the membership shares purchased in respect of the joint membership in joint tenancy.

Voting rights of joint members

- 19** (1) The voting rights of joint members are governed by the Act.
- (2) The signature on a written resolution of any one of the joint members of a membership is sufficient signature for all of the joint members of that membership.

[CAA, 1999, section 42]

Business done by joint member

20 Business done by one joint member is deemed to be business transacted by the joint members of the membership.

Joint members — liability and payments

21 The liability of joint members for amounts due to the Association in respect of the joint membership and the payment of amounts due to joint members from the Association in respect of the joint membership are governed by the Act.

[CAA, 1999, section 42]

Withdrawal of joint membership

- 22** (1) Joint members may withdraw from membership by complying with Rule 11.
- (2) The written notice required by Rule 11 (a) must be signed by all joint members.

Death of a joint member

23 (1) On receipt of proof satisfactory to it of the death of one joint member, the

Association may treat the surviving joint members as the owners of the membership shares held by the joint members.

(2) The death of one joint member does not have the same effect as a notice of withdrawal under Rule 11.

Entitlement of joint members to act as directors

24 Only one joint member of a membership is entitled to be a director of the Association at any one time unless that joint member or another of the joint members

(a) is a member in his or her own right, or

(b) is authorized to represent a member that is an eligible organization.

Entitlement of joint members to act as directors

24 Only one joint member of a membership is entitled to be a director of the Association at any one time unless that joint member or another of the joint members

(a) is a member in his or her own right, or

(b) is authorized to represent a member that is an eligible organization.

Part 4 — Share Structure

Authorized share structure

25 The authorized share structure of the Association is set out in the memorandum.

26 The Association will not issue investment shares. This clause is unalterable.

Part 5 — Payment for Shares

Payment for shares

27 (1) Except as provided in this Rule, the Association must not issue or allot shares unless the shares are paid for in accordance with the Act.

(2) Membership shares may be payable on call.

[CAA, 1999, section 52]

Calls on unpaid amount of membership shares

28 The directors may make calls on the members for any of the money unpaid on membership shares and a call is deemed to have been made at the time when the

resolution of the directors authorizing the call was passed.

Interest on unpaid call

29 (1) If a call is not paid on or before the date set for payment by the resolution referred to in Rule 28, the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate of 8% per year from the date set for payment until the date of payment.

(2) The directors may waive payment of interest due under subrule (2).

Dividends or interest on membership shares

30 No interest shall be paid.

Notice requiring payment of call

31 If a member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 28, the directors may, at any time after that date, serve a notice on the member requiring payment within 14 days from the date of service of the unpaid amount of the call together with any interest that accrues under Rule 29.

Failure to comply with notice

32 If a member on whom or on which a notice has been served under Rule 31 does not make the payment required by that notice in the time specified, the share in respect of which the notice is given may be forfeited to the Association by a resolution of the directors.

Effect of forfeiture

33 (1) A forfeiture under Rule 32 is effective on the date that the directors make the resolution referred to in that Rule.

(2) A member whose share has been forfeited in accordance with a resolution under Rule 32 ceases to be a member in respect of the forfeited share and the directors may strike the member's name from the register of members and cancel the share certificate in respect of the forfeited share.

3) A forfeited share may be sold or otherwise disposed of on terms and in a manner the directors think fit and, at any time before a sale or disposition, the forfeiture may be cancelled on terms the directors think fit.

(4) A member whose share has been forfeited remains liable to the Association for interest that accrued under Rule 29 to the date of the resolution under

Rule 32 and that interest is a debt due to the Association.

Part 6 — Share Certificates

Entitlement to share certificate

34 (1) The Association must issue certificates in respect of membership shares in accordance with the Act.

(2) The Association is not required to issue more than one certificate in respect of a membership share held by joint members, and delivery of a share certificate to one joint member is sufficient delivery to all.

[CAA, 1999, sections 42, 57, 64]

Form of share certificate

35 Every share certificate issued by the Association must comply with the Act and be in a form approved by the directors.

[CAA, 1999, sections 58, 216]

Manual signing of share certificates

36 Each share certificate issued by the Association must be signed manually by at least one director or officer of the Association.

Lost or destroyed certificates

37 If a share certificate is lost, stolen or destroyed, the Association must issue to the member entitled to the lost, stolen or destroyed certificate a new share certificate as a replacement if

(a) the Association has no notice that the lost, stolen or destroyed certificate has been acquired by a purchaser for value who entered into the transaction honestly and without notice of any adverse claim, including a claim that a transfer was or would be wrongful,

(b) the directors are satisfied that the certificate is lost, stolen or destroyed,

Part 7 — Transfer of Shares

Shares may not be transferred.

Part 8 — Transmission of Shares

Shares may not be transferred.

Part 9 — Redemption of Shares

Association authorized to purchase and redeem its shares

38 Subject to the Act, these Rules and the special rights and restrictions attached to any shares, the Association may, by a resolution of the directors, redeem any of its shares at the price and on the terms specified by the resolution.

[CAA, 1999, section 66]

Redemption of shares to be made proportionally

47 (1) If the Association proposes, at its option, to redeem some but not all of the, it must make its offer proportionally to every shareholder.

(2) A redemption of shares under subrule (1) must be made on a fair and equitable basis.

Sale and voting of redeemed shares

48 Subject to the Act, the Association may sell any share redeemed by it, but, while the Association retains the share, the Association must not exercise any vote, or pay or make any dividend or other distribution, in respect of that share.

Redemption of shares on withdrawal of membership

49 Subject to the Act, if a member withdraws from membership, the period within which the Association must redeem the shares of the former member is 4 months from the effective date of the withdrawal.

[CAA, 1999, section 38]

Redemption of shares on termination of membership

50 If the Association terminates the membership of a member under Rule 15, the Association must redeem the shares of the member in accordance with the

Act.

[CAA, 1999, section 38]

Entitlement to redemption

51 (1) Subject to the Act, an individual member who has attained 60 years of age may require the Association to redeem any of his or her shares except those shares required to be held as a condition of membership.

(2) A member who wishes to have the Association redeem any of his or her shares under subrule (1) must give written notice to the Association and the Association, on receipt of the share certificates relating to the shares to be redeemed, and subject to the Act, must pay the member the amount paid up on the shares within 4 months.

[CAA, 1999, section 66]

Amount paid on redemption

52 A member is entitled to the amount paid up on the par value of a membership share on redemption by the Association under this Part.

Part 10 — Register of Members

Register of Members

53 The Association must keep and maintain a register of members in accordance with the Act.

[CAA, 1999, section 124]

Part 11 — General Meetings of the Association

Annual general meetings

54 The Association must hold its first and subsequent general meetings within the time provided by the Act.

[CAA, 1999, section 143]

Business at annual general meeting

55 At the first general meeting and at each annual general meeting the following business must be considered:

- (a) report of the directors;
- (b) financial statement;
- (c) auditor's report, if applicable;
- (d) election or appointment of directors;
- (e) appointment or waiver of appointment of an auditor.

Order of business at annual general meeting

56 The order of business at the first general meeting and at annual general meetings, to the extent appropriate in the circumstances, must be as follows:

- (a) meeting to be called to order;
- (b) notice convening meeting to be read;
- (c) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
- (d) business arising out of minutes to be considered;
- (e) reports of standing and special committees to be read;
- (f) financial statement to be placed before the meeting;
- (g) reports of directors and auditors, if applicable, to be read;
- (h) election of directors and appointment of auditors;
- (i) special business to be considered;
- (j) unfinished business to be considered;
- (k) new business to be considered.

Special business

57 (1) Any business other than business listed in Rule 55 is special business.

(2) Special business must be approved by ordinary resolution of the members unless the Act or these Rules require otherwise.

Special general meetings

58 (1) The calling of a special general meeting by the directors, either on their own initiative or in response to a requisition by the members, must be in accordance with the Act.

(2) The requisitioning of a special general meeting by the members must be in accordance with the Act.

(3) The directors may determine the order of business at a special general meeting.

[CAA, 1999, sections 150, 151, 152]

Time and place of general meetings

59 General meetings must be held at the time and place in British Columbia that the directors specify or, in accordance with the Act, outside British Columbia.

[CAA, 1999, section 148]

Provision for 2 or more general meetings for the same matters

60 (1) If it is not possible to hold one general meeting at a time when, or place where, a large portion of the membership is able to attend, 2 or more general meetings may be held at the times and the places in British Columbia that the directors specify in accordance with the Act.

(2) Votes taken at meetings referred to in subrule (1) must be by secret ballot.

(3) The sum of the total votes taken at the meetings referred to in subrule (1) determine whether a resolution considered at those meetings is adopted or rejected.

[CAA, 1999, section 144]

Record date

61 (1) The record date for any general meeting is the 30th day before the date of the meeting of members.

(2) Only those members whose names are entered on the register of members on the record date are entitled to vote at the general meeting.

Notice of general meetings of the Association

62 Notice of general meetings must be given to members and to the auditor of the Association, if any, in accordance with the Act.

[CAA, 1999, sections 122, 146]

Financial statement

63 A copy of the financial statement that is to be placed before a general meeting must be provided to the members at least 10 days before the date set for the meeting.

Notice of special business

64 If special business is to be considered at a general meeting, the notice of the meeting under Rule 62 must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgment concerning the business.

Notice of special resolution

65 (1) If a special resolution is to be proposed at a general meeting, the notice under Rule 62 of that meeting must include

(a) the full text of the special resolution, or,

(b) if the full text of the special resolution is too lengthy for convenient inclusion in the notice, a summary of the text in sufficient detail to permit a member to form a reasoned judgment concerning the special resolution.

(2) If a notice under Rule 62 contains a summary of the text of a special resolution as provided in subrule (1) (b), the notice must also state the place where the full text of that special resolution can be read or copied.

Notice of adjourned meeting

66 If a general meeting is adjourned for fewer than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the first meeting that is adjourned, but if a general meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given in the same manner as for the original meeting.

Manner of giving notice

67 The notice and financial statement required to be provided to members under this Part must be given in a manner permitted in Part 24 of these Rules.

Meeting valid despite failure to give notice

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

Quorum

69 The quorum for the transaction of business at a general meeting is 10% of the total number of members entitled to vote at the meeting.

Requirement of quorum

70 No business, other than the election of a chair and the adjournment of the meeting, may be transacted at any general meeting unless a quorum is present at the commencement of the meeting, and if at any time during the meeting there ceases to be a quorum present any business then in progress is suspended until there is a quorum present or until the meeting is adjourned or terminated as the case may be.

Lack of quorum

71 (1) If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,

(a) if convened by requisition of members, must be dissolved, and

(b) in any other case, stands adjourned to the same day in the next week at the same time and place, unless the place of meeting is changed out of necessity.

(2) If at the adjourned meeting referred to in subrule (1) a quorum is not present within 1/2 hour from the time appointed, the members present in person or represented by proxy are deemed to constitute a quorum.

Chair

72 Subject to Rule 73, the president or, in the absence of the president, the vice-president of the Association, must preside as chair at every general meeting.

Alternate chair

73 If there is no chair present within 30 minutes after the time appointed for holding the meeting, the members present at a general meeting must elect a member to chair the meeting.

Adjournments by chair

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

Secretary

75 The directors at a general meeting must appoint a member to act as secretary at the meeting.

Minutes of meetings

76 The secretary must record the minutes of all resolutions and proceedings at a general meeting in books provided

Persons entitled to be present

77 The only persons entitled to be present at a general meeting are those entitled to vote at that meeting, the auditor of the Association, if any, and others who are entitled or required under any provision of the Act or these Rules to be present. ~~by the directors for that purpose.~~

Other persons may be admitted

78 A person who is not entitled to be present at a general meeting under Rule 77 may be admitted to a meeting only on the invitation of the chair or with the consent of the members at the meeting.

Meetings by conference telephone

79 The Association may permit members to participate in general meetings and vote by telephone or other communications medium in accordance with the Act.

[CAA, 1999, section 149]

Part 12 — Voting at General Meetings

Actions to be determined by ordinary resolution

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

Chair not entitled to casting vote

81 In case of an equality of votes,

- (a) the chair of a general meeting is not entitled to a second or casting vote, and
- (b) the motion is lost.

Decisions by show of hands or poll

82 Unless otherwise provided in these Rules or the Act, every motion for a resolution put to a vote at a general meeting is to be decided on a show of hands unless

- (a) before or promptly on the declaration of the result of the vote by a show of hands, a poll is directed by the chair or demanded by at least one individual who is present and entitled to vote, or
- (b) one or more members vote at the meeting by telephone or other communications medium, in which event the voting must be by poll or conducted in any other manner that adequately discloses the intentions of the members.

Polls

83 (1) An individual present and entitled to vote at a general meeting may demand that a poll be taken on any matter under consideration at that meeting either before or promptly after the vote by show of hands is taken.

(2) Subject to Rule 85, a poll must be taken in the manner and at the time, either at the general meeting or within 7 days after the date of the meeting, and at the place that the chair of the meeting directs.

(3) The result of the poll is deemed to be a resolution of the general meeting at which the poll is demanded.

(4) The person who demanded a poll may withdraw the demand before the poll is taken.

Chair must resolve dispute on a poll

84 The chair must determine any dispute as to the admission or rejection of a vote given on a poll, and the chair's determination, made in good faith, is final and conclusive.

Demand for a poll on adjournment

85 A poll demanded on a motion for adjournment must be taken immediately at the meeting.

Demand for a poll not to prevent continuance of meeting

86 A demand for a poll does not prevent the continuation of a general meeting for the transaction of any business other than the motion on which the poll has been demanded unless the chair orders otherwise.

Declaration of result

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

Declaration is proof

88 Unless a poll is required or demanded, a declaration by the chair that a motion has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the minutes of the general meeting is proof, in the absence of evidence to the contrary, of the fact without proof of the number or proportion of the votes recorded in favor of or against that motion.

Retention of ballots and proxies

89 Each ballot cast on a poll, and each proxy appointing a proxy holder who casts a ballot on a poll, shall be destroyed on passage of a motion to do so.

Part 13 – Meetings of Investment Shareholders

Does not apply as there are no Investment Shareholders.

Part 14 — Voting Rights of Members

Voting rights and restrictions

92 The right of a member or joint member to vote at a general meeting and the restrictions on those rights, are governed by the Act.

[CAA, 1999, sections 40, 41, 42, 59, 60, 61]

Votes of persons in representative capacity

93 A person who is not registered as the holder of a membership share but who is entitled to vote at a general meeting as a representative of a member or, may vote in the same manner as if he or she were a member if, before the meeting at which he or she proposes to vote, he or she satisfies the directors of his or her right to vote at that meeting.

Executors or administrators as joint shareholders

94 If there are 2 or more executors or administrators of a deceased member in whose sole name membership shares stand, those executors or administrators are, for the purposes of voting at general meetings, deemed to be joint shareholders of the membership shares, as the case may be.

Representative of eligible organization

95 (1) If an eligible organization provides evidence that complies with Rule 98 of the appointment of an individual to represent it at a general meetings,

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the eligible organization as that eligible organization could exercise if it were an individual member or of the Association present, and

(b) the representative, if present at a meeting, is to be counted for the purpose of forming a quorum.

(2) The evidence of appointment required by Rule 99 with respect to a representative of an eligible organization may be provided by written instrument, facsimile transmission, telegram, telex or any method of transmitting legibly recorded messages.

Proxy voting at a general meeting

96 An individual member may vote by proxy at a general meeting in accordance with the Act and these Rules if the member is unable to attend due to work, health or other constraints.

[CAA, 1999, section 43]

Proxy voting by investment shareholders

97 There shall be no investment shareholders

Requirements of proxies and similar instruments

98 A proxy, or an instrument appointing a representative of a member who is an eligible organization, must

(a) be in writing,

(b) identify the appointing shareholder and the proxy holder, or the eligible organization and individual appointed as the representative of the eligible organization,

(c) identify the meeting in respect of which the proxy is given or the meeting for which the representative is appointed,

(d) be signed by the appointing member shareholder or an attorney authorized in writing by the appointing member, or, if the appointing member is an eligible organization, a duly authorized director, officer or attorney of the eligible organization, and

(e) include the date of the signature referred to in paragraph (d).

Form of proxy

99 An instrument appointing a proxy may be in the following form or in any other form approved by the directors:

I,, of, a member of [*name of association*] hereby appoint
..... as my proxy to vote for

me and on my behalf:

[Check and complete applicable statement]

[] at the general meeting to be held on [year, month, day], and any adjournment of that meeting, and the person I am appointing is a member of the Association.

Signature Date [year, month, day]

Deposit of proxies

100 A proxy, along with the original or a copy, certified by a notary public, of the power of attorney or other authority, if any, under which the proxy is signed, must be deposited

(a) at the registered office of the Association or at any other place specified for the purpose in the notice calling the meeting, at least 48 hours, excluding Saturdays and holidays, before the time for holding the meeting in respect of which the person named in

the instrument is appointed, or

(b) at the place specified for the meeting, before its commencement, with a director or officer or the solicitor of the Association.

Validity of proxy votes

101 A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the member giving the proxy or despite the revocation of the proxy or of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received at the registered office of the Association, or by the chair of the meeting or adjourned meeting for which the proxy was given, before the vote is taken.

Revocation of proxies

102 A proxy may be revoked in any manner provided by law including by an instrument in writing that is

(a) signed by the member giving the proxy or by his or her agent authorized in writing or, if the member is an eligible organization, by a duly authorized director, officer or attorney of the organization, and

(b) delivered to

(i) the registered office of the Association, at any time up to and including the last business day preceding the day of the meeting, or any adjournment of that meeting, at which the proxy is to be exercised, or

(ii) the chair of the meeting, on the day of the meeting or any adjournment of that meeting before the taking of any vote in respect of which the proxy is to be exercised.

Production of evidence of authority to vote

103 The chair of any meeting may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person evidence of his or her authority to vote.

Part 15 — Directors

Duties of directors

104 The directors must govern the Association in accordance with the responsibilities, duties and powers set out in the Act, the regulation, the memorandum and these Rules.

[CAA, 1999, Part 6, Divisions 1, 2, 3]

Number of directors

105 (1) The Association must have,

(a) in accordance with the Act, at least 5 directors, and

(b) not more than 9 directors.

(2) The number of directors may be changed within the limits set out in subrule (1) by ordinary resolution of the members. *[CAA, 1999, section 72]*

Qualifications for directors

106 In addition to the qualifications required by the Act, the majority of directors must be individuals who are not employees of the Association.

[CAA, 1999, sections 72,79]

Part 16 — Election, Appointment and Removal of Directors

Election at annual general meeting

107 An election of directors must be held at each annual general meeting to replace those directors whose terms of office have expired or will expire at the end of the meeting in accordance with Rule 114.

Nomination of candidates

108 A member may nominate a candidate for director either before or at an annual general meeting at which a director is to be elected.

Voting by secret ballot

109 If the number of nominees in an election for directors exceeds the number of directors to be elected at the election, the election of directors must be by secret ballot.

Candidates declared elected

110 If the number of candidates nominated for director is equal to the number of directors to be elected, those nominated candidates are declared elected and no election is required.

Directors elected according to number of votes

111 In an election of directors, the chair must declare elected the candidates who received the highest number of valid votes up to the number of directors to be elected.

If 2 or more candidates receive equal number of votes for last vacancy

112 If 2 or more candidates receive an equal number of votes for the last vacancy on the board and it is not practical to hold a run-off election at the meeting,

(a) the directors who have already been elected in the election, and

(b) the directors whose terms of office will not expire at the end of the meeting at which the election is held must determine which of those candidates is to be elected.

Consent to act as director

113 For the election or appointment of a director to be valid, consent of the candidate must be provided in accordance with the Act.

[CAA, 1999, section 74]

Staggered terms of office of directors

114 (1) In this section, "**1st annual general meeting**" means the first general meeting of the Association.

(2) The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.

(3) A reduction in the number of directors under Rule 105 does not affect the unexpired term of a director in office.

(4) In the election of directors held at the 1st annual general meeting, all directors must be elected for a term ending at the 2nd annual general meeting.

(5) In the election of directors held at the 2nd annual general meeting,

(a) if the Board has an even number of directors,

(i) half of the directors must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and

(ii) the remainder must be elected for a term ending at the next annual general meeting, or

(b) if the Board has an odd number of directors,

(i) a simple majority must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and

(ii) the remainder must be elected for a term ending at the next annual general meeting.

(6) In the election of directors held at each annual general meeting after the 2nd annual general meeting, the directors to be elected must be elected for a term ending at the 2nd annual general meeting held after the annual general meeting at which those directors were elected.

Effect of vacancy on ability of directors to act

115 (1) Despite any vacancy on the board, the continuing directors

(a) if and so long as the number of continuing directors constitutes a quorum of the board, may continue to function without filling the vacancy and may appoint a qualified member to fill the vacancy, or

(b) if the number of continuing directors does not constitute a quorum of the board, may appoint directors for the purpose of increasing the number of directors to a quorum or to call a general meeting and for no other purposes.

(2) Except in the circumstances described, and to the extent authorized in subrule (1) (b), the directors are not entitled to fill a vacancy on the board that is caused by either an increase in the number of directors under Rule 105 or a failure to elect the minimum number of directors required by these Rules.

(3) In the circumstances described in subrule (1) (b) or when there are vacancies on the board as a result of an increase in the number of directors under Rule 105 or a failure to elect the minimum number of directors required by these Rules, the board must call, as soon as practicable, a general meeting to fill the vacancy.

(4) The term of office of a director appointed under subrule (1) (a) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.

(5) The term of office of a director appointed under subrule (1) (b) or (2) is until the vacancy is filled under subrule (3).

(6) If, as the result of a vacancy, there are no directors of the Association, the members may, by ordinary resolution or by an instrument in writing signed by a simple majority of members, appoint a qualified individual as director solely for the purpose of calling a special general meeting to fill the vacancies on the board.

Directors eligible for election or appointment again

116 A person whose term as director is ending is eligible for re-election or reappointment.

Director ceasing to hold office

117 A director ceases to hold office in accordance with the Act and these Rules.

[CAA, 1999, section 80]

Removal of director

118 The Association may by special resolution remove any director before the expiration of his or her term of office, and may by an ordinary resolution fill the vacancy created by the removal.

Part 17 — Meetings of Directors

Meetings of directors

119 Subject to the Act and these Rules, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they consider appropriate.

[CAA, 1999, section 77]

Time and place of meetings

120 Meetings of the board must be held at the time and place in British Columbia that the board determines is appropriate, and if the board does not determine the time and place, the president of the Association or any two directors may make that determination.

Who may call meetings

121 A director may, and the secretary of the Association on request of a director must, call a meeting of the directors at any time.

Notice of meeting

122 (1) Subject to Rules 123, 124, 125, 126 and 127, at least 10 days notice of a meeting of the directors, specifying the place, date and hour of the meeting, must be given to each director and is sufficiently given if provided

- (a) by personal delivery,
 - (b) by mail addressed to the director's address as it appears in the register of directors,
 - (c) by leaving it at the director's usual business or residential address,
 - (d), or any method of transmitting legibly recorded messages, or
 - (e) by telephone to the director's telephone number as provided by the director.
- (2) A notice of a meeting of directors must specify the purpose of, or the business to be transacted at, the meeting if the meeting is called to deal with an emergency or any of the following matters:
- (a) a question or matter requiring approval of the members;
 - (b) filling a vacancy on the board;
 - (c) filling a vacancy in the office of auditor;
 - (d) issuing shares;
 - (e) redeeming shares issued by the Association;
 - (f) approving a financial statement of the Association;
 - (g) making decisions that by the Act or these Rules are required to be made by a vote of greater than a majority of the directors.
- 3) A notice mailed under subrule (1) (b) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- (4) A notice given in accordance with subrule (1) (c) is deemed received when it is delivered.
- (5) A notice given under subrule (1) (d) is deemed received at the time the transmission is sent.
- (6) A notice given under subrule (1) (e) is deemed received at the time the information is provided by telephone.

Meeting of new board

123 If a quorum of directors is present, the directors newly elected at an annual general meeting and the directors whose terms of office do not expire at the end of that meeting, without notice, may hold a meeting of the board immediately after that general meeting.

Regular meetings

124 (1) The board may, by resolution, appoint a day or days in any month or months for regular board meetings at the places and times specified by the board.

(2) A copy of the resolution under subrule (1) must be sent to each director immediately after being passed, and no other notice is required for any regular board meeting, unless the Act or these Rules require that the purpose of the meeting or the business to be transacted at it be specified in a notice.

Notice of emergency meeting

125 In an emergency, the president of the Association may call a meeting of the directors by giving each director at least 48 hours written or oral notice of the meeting.

Notice of adjourned meeting

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

Meeting valid despite failure to give notice

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

Quorum of the board

128 A quorum of the board is a majority of the total number of directors authorized by the Association under Rule 105.

Chair

129 (1) The president of the Association or, in the absence of the president, the vice-president must chair all meetings of the board.

(2) If both the president and vice-president are absent from a meeting of the board, the directors present must appoint one of their number to chair the meeting.

Voting at meetings

130 Questions arising at any meeting of the directors are to be decided by a majority of votes, unless the Act or these Rules require otherwise and, in the case of an equality of votes, the chair does not have a second or casting vote.

Minutes of directors' meetings

131 The minutes of the proceedings of the directors must be kept in accordance with the Act.

[CAA, 1999, section 137]

Transaction of business without a meeting

132 A resolution of the directors may be passed without a meeting in accordance with the Act and these Rules.

[CAA, 1999, section 77]

Effective date of written resolution

133 A resolution referred to in Rule 132 is effective from the date specified in the resolution, but that date must not be before the day on which the last director consents in writing to the resolution.

How written consent may be given

134 For the purposes of a resolution referred to in Rule 132, written consent may be provided by telegram, telex, facsimile transmission or any other method of transmitting legibly recorded messages.

Meetings by conference telephone

135 A director may participate in a meeting of the directors or of any committee of the directors by means of telephone or other communications medium in accordance with the Act.

[CAA, 1999, section 77]

Part 18 — Committees of Directors

Appointment of committees

136 (1) The board may, by resolution, appoint one or more committees consisting of the director or directors that the board consider appropriate to exercise the powers delegated by the board to them as authorized by the Act.

(2) Any committee so formed, in the exercise of the powers delegated to it, must

(a) conform to any terms of reference that may from time to time be imposed on it by the directors, and

(b) report every act or thing done in the exercise of those powers to the earliest meeting of the directors held next after the act or thing has been done.

[CAA, 1999, section 76]

Variation of terms of reference

137 The board may vary, add to or limit the terms of reference of any committee of directors.

Time and place of committee meetings

138 The members of a committee of directors may meet and adjourn as they consider appropriate.

Quorum

139 Unless the board determines otherwise, each committee of directors has the power to fix its quorum at not less than a majority of the committee members.

Vacancy

140 If there is a vacancy on a committee of directors, the remaining committee members may exercise all the powers of the committee as long as a quorum of the committee remains in office.

Chair

141 A committee of directors may elect a chair of its meetings but, if no chair is elected, or if at any meeting the chair is not present within 15 minutes after the time appointed for holding the meeting, the directors present who are members of the committee may, by resolution, choose one of their number to chair the meeting.

Voting at committee meetings

142 Questions arising at any meeting of a committee of directors are determined by a majority of votes of the members present, and in case of an equality of votes the chair has no second or casting vote.

Minutes of committee proceedings

143 The minutes of the proceedings of a committee of directors must be kept in accordance with the Act.

[CAA, 1999, section 137]

Part 19 — Officers

Appointment of president and vice-president

144 The board must appoint, by resolution, a president and a vice-president of the Association from among the directors.

Appointment of other officers

145 (1) The board must appoint, by resolution, a secretary, a treasurer and may appoint other officers that the board determines are necessary.

(2) The officers appointed under subrule (1) must be directors.

One person may not hold more than one office

146 Two or more offices of the Association may not be held by the same individual.

Powers and duties of officers

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

[CAA, 1999, section 105]

Term of office and remuneration

148 (1) The board must determine the term of office and the remuneration of any officer it appoints.

(2) The board, in its discretion, may remove any officer of the Association without prejudice to that officer's rights under any employment contract.

Part 20 — Conflict of Interest Rules for Directors and Officers

Act applies

149 The directors and officers of the Association are governed by the disclosure and conflict of interest rules set out in the Act.

[CAA, 1999, Part 6, Division 2]

Part 21 — Indemnification of Directors and Officers

Act applies

150 The Association must indemnify the directors and officers in accordance with the Act.

[CAA, 1999, Part 6, Division 3]

Part 22 — Finances

Borrowing powers

151 The directors may, for the purposes of the Association, on behalf of the Association,

- (a) borrow or raise money in the manner and amount, from the sources, on terms and conditions, and
- (b) issue notes, bonds, debentures and other debt securities as the directors consider appropriate.

Investment powers

152 Subject to any limitations adopted by the directors, and, if applicable, to Rule 153, the directors may invest the funds of the Association in the manner they consider appropriate.

Limitations on investing

153 (1) The directors must not invest any of the funds of the Association over \$ 10,000 at any one time without the prior approval by special resolution of the members or unless the money is to be invested in a security or class of securities in which trustees are

permitted to invest trust funds under the *Trustee Act*.

(2) The Association must not provide loans on the security of its shares.

Auditor

154 (1) Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.

(2) The duties and rights of the auditor are governed by the Act.

[CAA, 1999, Part 7]

Accounting records

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

[CAA, 1999, section 138]

Financial year

156 The financial year of the Association ends on the date fixed by the directors.

Use of surplus funds

157 The directors must apply surplus funds arising from the operation of the Association in a financial year as follows:

(a) first, to the reserves required by Rule 158;

(b) next, to retire all or a portion of any deficit previously incurred by the Association, as the directors determine is appropriate.

Reserves

158 The directors must set aside as reserves for meeting contingencies at least 10% of the surplus funds arising from the operations of the Association in each financial year until those reserves are equal to the following percentages of paid up share capital at the date of apportionment under Rule 157:

(a) if the paid up share capital is \$25 000 or less, 30%;

(b) if the paid up share capital is greater than \$25 000 but not greater than \$50 000, 20%;

(c) if the paid up share capital is greater than \$50 000 but not greater than \$100 000, 10%;

(d) if the paid up share capital exceeds \$100 000, the percentage, if any, determined by resolution of the members.

Application of reserves

159 Subject to the Act and these Rules, reserves must be available to meet contingencies and until required for that purpose may be employed in any manner the directors consider appropriate.

[CAA, 1999, sections 8, 9, 66]

Payment of dividends on membership shares

164 The Association may not pay dividends or may apply patronage returns

Part 23 - Dispute Resolution

Disputes to be referred to arbitration committee of members

166 A dispute that under the Act may be submitted for arbitration must be referred to an arbitration committee of 3 members of the Association in accordance with this Part.

[CAA, 1999, section 208]

Commencement of arbitration proceedings

167 (1) An arbitration referred to in Rule 166 must be commenced in accordance with the Act.

(2) If notice is provided to a director under subrule (1), that director must promptly provide the Association with a copy of the notice.

[CAA, 1999, section 208}

Nomination of committee members

168 Within 14 days of receipt of a notice referred to in Rule 167, the president of the Association and the other party must each nominate one member of the Association as a member of the arbitration committee, and the third member must be appointed by the 2 nominated members.

Failure to nominate committee

169 If for any reason an arbitration committee has not been appointed within 6 weeks after the first member is nominated to the committee, on application by a party, the Supreme Court of British Columbia may appoint the members of the arbitration committee not appointed under Rule 168.

Consolidation of disputes

170 Disputes that have arisen between the Association or a director and different parties may be heard in one arbitration if

(a) the disputes are similar, and

(b) all parties agree on the appointment of the arbitration committee and the steps to be taken to consolidate the disputes into the one arbitration.

Procedure

171 (1) Subject to these Rules, the arbitration committee may conduct a hearing in the manner it considers appropriate, but each party must be treated fairly and must be given full opportunity to present its case.

- (2) Each party to the dispute must submit to the arbitration committee a written statement describing the nature of the dispute and a summary of the evidence the party intends to present at the hearing.
- (3) The arbitration committee must hold a hearing as soon as possible at a location that is convenient to both parties.
- (4) The arbitration committee may determine whether the hearing is open to all members of the Association.
- (5) Each party to the dispute must attend the oral hearing, if any, and may be represented by another person including a lawyer.
- (6) If both parties agree, the hearing may consist of an exchange of written statements or any other procedure.

Examination and evidence

172 (1) A party to the dispute is a compellable witness at an oral hearing.

- (2) Witnesses at an oral hearing must
 - (a) respond fully to questions asked by members of the arbitration committee, and
 - (b) produce all relevant records that the arbitration committee may require.
- (3) Each party may present or rebut evidence and may examine or cross-examine witnesses at an oral hearing.
- (4) The arbitration committee is not bound by the rules of evidence and may admit as evidence any oral testimony or any record that the arbitration committee considers is credible or trustworthy and relevant to an issue in dispute between the parties.

Decision must be in writing and signed by committee members

- 173 (1) The arbitration committee may make whatever decision it considers just having regard to the Act, the regulation, the memorandum of the Association, these Rules and the evidence presented by the parties.
- (2) The decision must be in writing and signed by each member of the arbitration committee.
 - (3) Within 4 weeks of the date of the decision, the arbitration committee may vary a decision to correct a clerical or typographical error or omission, or a similar type of error or omission.

Costs of arbitration

174 Parties to an arbitration must bear their own costs.

Part 23 - Notices

Notice to directors, members, investment shareholders and other persons

175 Unless otherwise specified in the Act or these Rules, any notice required to be given to a director, member, investment shareholder or any other person must be in writing and is sufficiently given if it is

- (a) delivered personally,

(b) delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,

(c) mailed by prepaid mail to the person's last known address, as recorded in the Association's register of members or other record of the Association,

(d) sent to the person by facsimile transmission to a telephone number provided for that purpose, or

(e) served in accordance with Rule 182 or 183.

[CAA, 1999, section 147]

Notice to Association

176 Unless otherwise specified in the Act or these Rules, any notice required to be given to the Association must be in writing and is sufficiently given if it is

(a) delivered to the registered office of the Association,

(b) mailed to the registered office of the Association by prepaid mail,

(c) sent by facsimile transmission to a telephone number provided for that purpose, or

(d) served in accordance with the Act.

Deemed receipt

177 (1) A notice given in accordance with Rules 175 (b) or 176 (a) is deemed received when it is delivered.

(2) A notice given in accordance with Rules 175 (c) or 176 (b) is deemed received on the *[CAA, 1999, section 28]* second day, not including Saturday and holidays, after the date of mailing.

(3) A notice given in accordance with Rules 175 (d) or 176 (c) is deemed to be received at the time the notice is sent by facsimile.

Computation of time

178 In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving notice must be excluded and the date of the meeting or other event must be included.

Undelivered notices

179 If a mailed notice is returned on two consecutive occasions because the intended recipient cannot be found, the Association is not required to give any further notices to that intended recipient until the intended recipient informs the Association in writing of his or her new address.

Omissions, non-receipt and errors

180 The accidental omission to give a notice to, or the non-receipt of a notice by, a member, director, officer, auditor or member of a committee of the board, or an error in a notice that does not affect the substance of it, does not invalidate any action taken at a meeting held in accordance with, or otherwise founded on, that notice.

Persons entitled by death or operation of law bound by notice in certain circumstances

181 A person who, by operation of law, transfer, death of a member, or any other means, becomes entitled to a share in the Association, is bound by every notice in respect of the share that has been duly given to the member from whom that person derives title to the share before the person's name and address were entered on the register of members and before the person furnished the Association with the proof of authority or evidence of the person's entitlement.

Part 24 Service of Documents

Service by the Association

182 (1) A notice or other document required by the Act to be served by the Association may be served by

(a) mailing it by registered mail to the last known address of the intended recipient, as recorded in the Association's register of members or other record of the Association, or

(b) personal service.

(2) A notice or other document served under subsection (1) (a) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

Service on the Association

183 Service on the Association must be in accordance with the Act.

[CAA, 1999, section 28]

Part 26 - Corporate Seal and Execution of Instruments

Use of corporate seal

184 The directors may provide a seal for the Association and may determine its form.

Custody of seal

185 The directors must provide for the safe custody of the seal, which must be stored at the registered office of the Association.

Who may attest seal

186 The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of

(a) any 2 directors,

(b) an officer and a director, or

(c) one or more directors, officers or other persons as determined by resolution of the directors.

Execution of documents where no seal

187 Subject to Rule 35, if the directors have not adopted a seal for the Association, instruments may be executed on behalf of the Association by the persons specified in Rule 186.

Part 27 - Records

Records of the Association

188 Retention of, and entitlement and access to, records of the Association are governed by the Act.

[CAA, 1999, Part 8, Divisions 1, 2, 3]

Part 28 – Dissolution of the Association

189 If the Association is dissolved or wound up, its property after satisfaction of its liabilities, costs, charges and expenses properly incurred in the dissolution or winding up, must be transferred to or distributed among one or more of the following organizations: (a) a community service co-operative; (b) a charitable organization registered under the Income Tax Act (Canada). This clause is unalterable.

Part 29 - Alteration of Memorandum or Rules

Alteration of memorandum or Rules

190 Amendments to the memorandum and Rules of the Association must be in accordance with the Act and these Rules.

[CAA, 1999, Part 5, Division 1]

Clauses 26 and 189 are unalterable.

Note:

The following information must be provided for each subscriber. Each subscriber must sign his or her full name in the presence of a witness on two original copies of these Rules. Only one witness is required, providing that he or she witnesses the signature of each subscriber, in which case the signature, name, and address of the witness may appear after the signatures of the subscribers.

Moved by and seconded by, carried unanimously.