

Form 6

SPECIAL RESOLUTION

Cooperative Association Act (Sections 68 (2), 71 (2), 191 (3) (a) and 197 (1) (a))

Certificate of Incorporation
Number CP-1417

The following special resolution was passed by the River Woods Housing Co-operative on February 27, 2014:

“THAT the Rules of the Co-operative be altered and amended by substituting for the present Rules, the Rules attached, including the Occupancy Agreement attached as a schedule to the Rules.

CERTIFIED CORRECT

I have read this form and found it to be correct.

Diane Bennett

Signature of current Director, Officer or
Lawyer of the Association

4) *Diane Bennett*
President

Relationship to Association

Date signed: February 28, 2014

I CERTIFY THIS IS A COPY OF A
DOCUMENT FILED ON

MAR 18 2014

Allest

17 CAROL PREST
REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA

R U L E S O F

RIVER WOODS HOUSING CO-OPERATIVE

Adopted by the Members on the
27th day of February, 2014.

Approved and filed by
the Registrar of Companies on the
18th day of March, 2014

R U L E S O F
R I V E R W O O D S H O U S I N G C O - O P E R A T I V E

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RULE 1 Interpretation

1.1 Definitions

In these Rules:

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

[l] **“Special Resolution”** means

[1] a resolution of the members of the Co-op that is passed at a duly called general meeting by a majority of two-thirds of the total votes cast by the members who are entitled to vote on the resolution, or

[2] a resolution that is submitted to all members who are entitled to vote on the resolution and passed by being consented to in writing by all of them; and

[m] **“Unit”** means the residential premises owned or operated by the Co-op which has been assigned to the member by the Co-op to occupy on a full-time basis.

1.2 Cooperative Association Act definitions apply

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

1.3 Cooperative Association Act governs

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

1.4 Occupancy Agreement attached as Schedule A

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

RULE 2 Eligibility for membership

2.1 Membership

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

2.2 Joint membership

There shall be no joint membership.

2.3 Approval by the Directors

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

2.4 Eligibility for membership

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

2.5 Effective date of membership

Membership is effective when:

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

2.6 Membership limited to occupants

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

2.7 Number of Units to be occupied by members

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

RULE 3 Deleted

RULE 4 Withdrawal from membership

4.1 Withdrawal from membership

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

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

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

4.2 Deemed withdrawal of membership by a member

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

- [a] surrenders possession of the Unit; or
- [b] dies,

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

4.3 Withdrawal of membership with the consent of the Directors

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

RULE 5 Termination of membership

5.1 Grounds for termination of membership

Where a member:

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

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

5.2 Conduct detrimental to the Co-op

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

- [a] failure to comply, or failure to ensure compliance by any resident or person visiting the member, with any term or provision of:
 - [1] these Rules or the Occupancy Agreement; or
 - [2] any Policy which may be in effect;
- [b] causing, permitting, or threatening wilful damage to the property or physical premises of the Co-op or the Unit;
- [c] causing, permitting, or threatening violence directed against persons on the Co-op's property;
- [d] unauthorized detention of property of the Co-op;

- [e] causing, permitting, or threatening injury or harm to the reputation of the Co-op;
or
- [f] repeated late payment of Housing Charges.

5.3 Material conditions of the Occupancy Agreement

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

5.4 Notice of meeting

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

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

5.5 Notice of outcome of the meeting

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

- [a] is withdrawn;
- [b] is defeated because it does not receive the required majority of three-quarters of all Directors; or
- [c] is passed by the required majority of three-quarters of all Directors,
the Directors must
- [d] deliver written notice of the outcome to the member; or
- [e] if membership is being terminated for non-payment of rent, Housing Charges or other money due by the member to the Co-op, serve written notice of the

outcome on the member along with a notice setting out the member's right to appeal the termination to the Supreme Court of British Columbia, as well as copies of such forms as may be prescribed by the Act and the *Cooperative Association Regulation*, as amended from time to time.

5.6 Notice of appeal of termination

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

5.7 Appeal of termination

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

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

5.8 Confirmation of termination

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

- [a] a notice that the Ordinary Resolution or Special Resolution, as the case may be, confirming the termination was passed by the members; and

- [b] a notice as prescribed by the Act, setting out the person's right to appeal the termination to the Supreme Court of British Columbia, as well as copies of such forms as may be prescribed by the Act and the *Cooperative Association Regulation*, as amended from time to time.

5.9 Appeal to the Supreme Court of British Columbia

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

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

5.10 Court filing fees

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

5.11 Timing of request for filing fees

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

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

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

RULE 6 Miscellaneous matters re: withdrawal or termination of membership

6.1 Possession and occupancy rights

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

6.2 Refund of amount paid for Shares

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

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

6.3 No release from debts or obligations

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

6.4 Withholding of refund

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

RULE 7 Share structure

7.1 Authorized Share structure

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

7.2 No investment shares

The Co-op will not issue investment shares.

RULE 8 Payment for Shares

8.1 Number of Shares to be held

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

8.2 Payment for Shares

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

8.3 Calls on unpaid amount of Shares

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

8.4 Interest on unpaid calls

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

8.5 Notice requiring payment of call

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

RULE 9 Share certificates

9.1 No issuing of share certificates

No share certificates shall be issued.

RULE 10 Transfer of Shares

10.1 Requirements of transfer document

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

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

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

10.2 Form of transfer

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

10.3 Effective date of transfer of Shares

A transfer of Shares does not take place until:

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

RULE 11 Death of a member

11.1 Procedure on death of a member

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

- [a] if the person is not a member but is residing in the Unit as their principal residence on a full-time basis, apply under Rule 2 for membership in the Co-op;
or
- [b] apply to the Directors to redeem the Shares.

11.2 Redemption of Shares of a deceased member

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

RULE 12 Redemption of Shares

12.1 Co-op authorized to redeem its Shares

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

12.2 Redemption of Shares on cessation of membership

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

12.3 Amount paid on redemption

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

12.4 Lien on Shares

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

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

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

12.6 Debt to be satisfied first

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

12.7 Balance of member's debt

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

RULE 13 Register of members

13.1 Register must be kept and maintained

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

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

RULE 14 General meetings of the Co-op

14.1 The Annual General Meeting

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

14.2 Business of the Annual General Meeting

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

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

14.3 Order of business

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

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

14.4 Frequency of general meetings

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

14.5 Calling of special general meetings

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

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

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

14.7 Time and place of general meetings

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

14.8 Notice of meeting to be given

Every member and the auditor must receive:

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

14.9 Notice must specify

The notice of meeting must specify:

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

14.10 Notice of Special Resolution

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

14.11 Financial statement

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

14.12 Meeting valid despite failure to give notice

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

14.13 Requirement for quorum

No business, other than the election of a chair and the close of the meeting, may be transacted at any general meeting unless a quorum of 30% of the members entitled to vote are present in person at the commencement of the meeting.

14.14 Lack of quorum

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

14.15 Adjournment of a meeting at which quorum is present

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

14.16 Chair

Every general meeting will be chaired by:

- [a] the president; or

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

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

14.17 If no chairperson

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

14.18 Recording secretary

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

14.19 Minutes of meetings

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

14.20 Persons entitled to be present at general meetings

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

RULE 15 Voting at general meetings

15.1 Actions to be determined by Ordinary Resolution

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

15.2 Chair not entitled to casting vote

In case of an equality of votes,

[a] the chair of a general meeting is not entitled to a second or casting vote; and

[b] the motion is defeated.

15.3 Decisions by show of hands or secret ballot

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

15.4 Declaration of result

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

15.5 Declaration is proof

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

RULE 16 Voting rights of members

16.1 Voting rights

Each member will have one vote on all matters to be decided by the members.

16.2 Call on Shares

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

16.3 Proxy voting

There will be no proxy voting.

16.4 Production of evidence of authority to vote

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

RULE 17 Directors

17.1 Duties of Directors

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

17.2 Policies

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

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

17.3 When Policies take effect

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

17.4 Number of Directors

The number of Directors will be nine.

17.5 Persons disqualified to act as Directors

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

- [a] is under the age of 18 years;
- [b] is found by a court, in Canada or elsewhere, to be incapable of managing their own affairs;
- [c] is an un-discharged bankrupt;
- [d] is convicted of an offence in connection with the promotion, formation, or management of a corporation or of an offence involving fraud;
- [e] is not a member of the Co-op;
- [f] is indebted to the Co-op for any amount other than:
 - [1] current month's Housing Charges; or
 - [2] an amount other than Housing Charges and payment is being made in accordance with a plan approved by the Directors.
- [g] has a term of office that has expired in accordance with the Act or these Rules;
- [h] is removed in accordance with Rule 18.11;
- [i] dies;
- [j] resigns in writing;
- [k] ceases to live in the Unit on a full-time basis as their principal residence;
- [l] is absent from three consecutive regular meetings of the Directors without the consent of the Directors;
- [m] resides with a person who is serving as a Director at the same time, in which case the office of the Director last elected or appointed will be vacated.
- [n] has entered into a contract directly with the Co-op as an employee or contractor, unless the Director complies with the provisions of the Act respecting disclosure and conflict of interest;

[o] is a shareholder, director or employee of a corporate entity with which the Co-op enters into a contract, unless the Directors complies with the provisions of the Act respecting disclosure and conflict of interest; or

[p] resides with or is related by blood or marriage to a person who accepts a position as an employee or contractor of the Co-op.

17.6 Declaration of qualifications to act

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

17.7 Remuneration

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

RULE 18 Election, appointment and removal of Directors

18.1 Election at Annual General Meeting

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

18.2 Nomination of candidates

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

18.3 Election procedure if there are more candidates than vacancies

If the number of candidates in an election for Directors exceeds the number to be elected there must be an election by secret ballot;

18.4 Election procedure if there are not more candidates than vacancies

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

18.5 Deleted

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

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

18.7 When term of office of Directors ends

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

18.8 Term of office of Directors

In the election of Directors, the Directors must each be elected for a term of one year.

18.9 Further terms of office of Directors

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

18.10 Vacancies on the Board

Despite any vacancy on the Board,

[a] if and so long as the number of continuing Directors constitutes a quorum of the Board, the continuing Directors may:

[1] continue to function without filling the vacancy; or

[2] appoint a qualified member to fill the vacancy; or

[3] call a general meeting and hold a by-election to fill the vacancy;

which new Director in either case will hold office for the balance of the term of the vacating Director; or

[b] if the number of continuing Directors does not constitute a quorum of the Board, the continuing Directors may appoint qualified members as Directors for the purpose of increasing the number of Directors for the sole purpose of calling a general meeting in order to hold a by-election by secret ballot to fill the vacancy.

18.11 Removal of Director

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

[a] may not run again for office at the next annual general meeting at which there is an election or Directors; and

[b] may not be appointed by the Directors for one year after removal from office.

18.12 Validity of acts of Directors

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

RULE 19 Meetings of Directors

19.1 Regulation of meetings

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

19.2 Time and place of meetings

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

19.3 Who may call meetings

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

19.4 Quorum of the Board

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

19.5 Meeting valid despite failure to give notice

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

19.6 Chair

Every meeting of the Directors will be chaired by:

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

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

19.7 Voting at meetings

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

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

19.8 Minutes of the Directors' meetings

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

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

19.9 Recording Directors' attendance at meetings

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

19.10 Transaction of business by written resolution

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

RULE 20 Committees of Directors and advisory committees

20.1 Committees of Directors

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

20.2 Advisory committees

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

20.3 Duty of advisory committees to report to the Directors

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

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

RULE 21 Officers

21.1 Appointment of officers

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

21.2 Powers and duties of officers

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

21.3 Remuneration and term of office of officers

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

21.4 Removal of an officer from their position

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

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

22.1 The Act prevails

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

RULE 23 Indemnification of Directors and officers

23.1 Indemnification

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

23.2 Insurance

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

24.1 Security may be required

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

24.2 Non-disclosure of personal information

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

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

24.3 Borrowing powers

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

24.4 Restrictions

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

24.5 Levy in an emergency situation

If in the Directors' opinion an emergency exists for which additional funds are required, and notwithstanding Rule 24.6, the Directors from time to time, may levy and collect an additional sum from each member to raise the additional funds to meet the emergency and the same must be payable by the member upon notice to the member.

24.6 Other approved levy

If the members of the Co-op, by Ordinary Resolution at a general meeting of the Co-op, approve a levy to raise additional funds for any purpose, the Directors may levy and collect an additional sum from each member and the same must be payable by the member upon notice to the member.

24.7 Uniform application of levies

All levies under Rule 24.5 and Rule 24.6 shall apply uniformly to all members without preference, but may be prorated in accordance with the number of Shares for which the member has subscribed.

24.8 Levy constitutes a debt due

Upon notice to a member of the levy under Rule 24.5 or Rule 24.6, the same shall constitute a debt due from the member to the Co-op payable on demand.

24.9 Investment powers

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

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

24.10 Appointment of an auditor

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

24.11 Restriction on who may be auditor

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

24.12 Provisions of the Act in respect of the auditor

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

24.13 Accounting records

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

24.14 Location of books of account

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

24.15 Inspection of books of account

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

RULE 25 Dispute resolution

25.1 Initiating resolution of a dispute

A member wishing to initiate a resolution of a dispute with another member may submit the dispute in writing to the Co-op if the dispute:

- [a] cannot be resolved by the parties involved after attempting to do so; and
- [b] involves a complaint about a breach of the Rules, Occupancy Agreement or policies by another member or person for whom the other member is responsible.

25.2 Dispute resolution

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

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

25.3 Does not apply to termination of membership

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

26.1 Notices to members and other persons

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

- [a] delivered personally;
- [b] placed in a mail receptacle assigned to the Unit or in a mail receptacle at or on the principal entrance to the Unit or placed through or affixed to the principal entrance to the Unit;
- [c] delivered or mailed by prepaid mail to the person's last known address, as recorded in the Co-op's register of members or other record of the Co-op;
- [d] sent to the person by facsimile transmission to a telephone number provided by that person for that purpose; or
- [e] sent to the person by email to an email address provided by that person for that purpose.

26.2 Notice to the Co-op

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

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

26.3 Deemed receipt if sent by mail

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

26.4 Computation of time

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

26.5 Deemed receipt if sent by facsimile or email

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

RULE 27 Execution of documents and other instruments

27.1 Execution of documents

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

RULE 28 Alteration of Memorandum or Rules

28.1 Alteration of Memorandum or Rules

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

Note on dissolution of the Co-op

Note on dissolution of the Co-op

The Co-op's existing dissolution provision originally filed and registered January 23, 1984 with the Registrar remains in force under section 173 of the *Cooperative Association Act*. **Rule 67** is attached hereto.

DISSOLUTION

67. (a) In the event of dissolution of the Association, for whatever reason and in whatsoever manner, no part of the assets remaining after the discharge of payment of all obligations, liabilities and debts, including payment of the amount actually paid up on account of shares of the Association shall be distributed or paid to any member of the Association.
- (b) In the event of the winding up or dissolution of the Association, for whatever reason and in whatsoever manner, or if the members of the Association take proceedings to surrender the Certificate of Incorporation of the Association, the whole of the surplus remaining after the discharge in payment of all obligations, liabilities and debts of the Association shall be paid over to a trust company incorporated under the laws of British Columbia or of Canada, or to a central credit union incorporated under the Credit Union Act of British Columbia, or to a non-profit corporation incorporated under the laws of British Columbia having among its objects the encouragement, promotion, maintenance or improvement of housing conditions in British Columbia, as the Directors of the Association may designate by resolution, or if the Directors shall fail to designate, then to a trust company or central credit union or non-profit corporation designated by a Superintendent of Co-operatives upon the condition that any surplus so paid over shall be used for the purpose of encouraging, developing, establishing or maintaining co-operative housing or improvements in housing conditions in the Province of British Columbia, in such manner or means as the trust company or central credit union or non-profit corporation may determine and whether by way of loan, guarantee, grant or donation.

O C C U P A N C Y A G R E E M E N T

R I V E R W O O D S H O U S I N G C O - O P E R A T I V E

S C H E D U L E A T O T H E R U L E S

OCCUPANCY AGREEMENT

RIVER WOODS HOUSING CO-OPERATIVE

SCHEDULE A TO THE RULES

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SCHEDULE A TO THE RULES

THIS OCCUPANCY AGREEMENT is SCHEDULE A to the Rules of River Woods Housing Co-operative and is effective as and from the date on which the Rules come into effect and governs

RIVER WOODS HOUSING CO-OPERATIVE, a co-operative association incorporated under the laws of the Province of British Columbia,

(the "Co-op")

- AND -

Each member of the Co-op in respect of the Unit assigned to the member by the Co-op as recorded in its records

(the "Member")

in relation to use and occupation of certain residential premises.

RECITALS

WHEREAS:

A The Purpose of the Co-op

The Co-op has been incorporated under the Act as a not for profit housing co-operative for the purposes of acquiring residential housing units on land owned by the Co-op and more particularly known and described as:

3701, 3707, 3711 and 3717 Hamber Place, North Vancouver, British Columbia

PID: 006-771-289, Lot 71, Block 30, District Lot 624, Plan 19213

(the "Lands") for the use of the members (the "Development");

B Granting of the Occupancy Agreement

This Occupancy Agreement is granted to the Member, subject to and under the Memorandum and Rules of the Co-op.

C Right to Possession

The right of the Member to possession or occupancy of a residential housing unit assigned to the Member hereunder is dependent upon the Member complying in all respects with the obligations of the Member under this Occupancy Agreement and continuing to be a member in the Co-op and to hold the number of Shares of the Co-op required by the Rules.

D Operating Principles

The Co-op is founded on the international principles of co-operation as set out in the Statement on the Co-operative Identity originated by the International Co-operative Alliance. In particular, the Co-op relies on the active engagement of its members to foster good governance and principled leadership in the exercise of democratic member control.

In consideration of the mutual promises set out in this Occupancy Agreement, the parties agree as follows:

1 Conditions of Possession

1.01 Breach of conditions

This Occupancy Agreement and the term hereby created shall be subject to the conditions herein set forth, and shall come to an end upon withdrawal from or termination of membership.

1.02 Rules

The term of the Occupancy Agreement and possession of the Unit by the Member is subject to:

- [a] the terms and conditions set out in the Rules of the Co-op as amended from time to time;
- [b] relevant and applicable zoning, health, or other laws of the municipal, provincial, or federal governments; and
- [c] the terms and conditions of any mortgages or other agreements between the Co-op and any federal, provincial or municipal authority; and

1.03 Foreclosure

If an order of foreclosure is made by any court of competent jurisdiction foreclosing the interest of the Co-op in the Lands or the Development, this Occupancy Agreement shall thereupon immediately cease and be void and of no effect at the option of the foreclosing party.

1.04 Trustee has no right to possession of the Unit

No trustee or receiver of the Member or the Member's Shares or person claiming any interest in the Shares pursuant to any bankruptcy assignment, pledge or security is entitled to any right to or possession of the Unit.

2 Right to Possession

2.01 Term

The Co-op grants to the Member the Unit for the term (the "Term"):

- [a] commencing with the date on which occupancy of the Unit is granted by the Co-op to the Member;
- [b] ending with the earliest of the withdrawal from, termination or cessation of membership of the Member and the death of the Member; and
- [c] subject always to earlier termination as herein provided.

2.02 Common area

The Co-op hereby grants to the Member during the Term, in common with the other members of the Co-op, the non-exclusive use for their proper purpose, of the entrance, passageways, roadways, sidewalks, common grounds and other common areas of the Development throughout the Term.

2.03 Family members

If the Member shall cease to be entitled to occupy the Unit, the right of persons in the Member's household, whether or not members of the Co-op and all other persons occupying or visiting the premises, to continue to occupy or use the Unit shall come to an end at the same time and without further notice being required.

3 Parking

3.01 Use of Parking

The Member shall be entitled during the Term of this Occupancy Agreement to the use of one (1) parking space assigned by the Co-op for the parking of vehicles used by the Member or persons residing with the Member.

3.02 Parking Policies

The Member agrees to comply with the Co-op House Rules and Policies respecting parking, as are applicable from time to time.

4 Housing Charge

4.01 Payment of Housing Charge

The Member shall pay the Co-op on the first day of each and every month, commencing on the first day of the month the Member takes possession, during the Term of the Occupancy Agreement, a Housing Charge as determined and assessed by the Co-op from time to time and notified to the Member in writing.

4.02 Payment of all charges

The Member shall pay when due to the Co-op the Housing Charge, any additional or supplemental charge and any other amounts due to the Co-op under this Occupancy Agreement and the Rules to the Co-op:

- [a] at the office of the Co-op; or
- [b] at such other place as the Co-op may from time to time designate in writing; and

in the form and manner determined by the Directors of the Co-op with no right of set-off or abatement under any circumstances.

4.03 Setting the Housing Charge

The Directors of the Co-op shall recommend to the members, at a general meeting duly called for that purpose, the monthly Housing Charge payable hereunder which shall be approved by an Ordinary Resolution of the members.

4.04 Considerations in setting the Housing Charge

In recommending to the members the monthly Housing Charge payable hereunder, the Directors shall take into account the amount of money which, in the opinion of the Directors, shall be required by the Co-op during each fiscal year for:

- [a] the maintenance of the corporate existence of the Co-op;
- [b] the carrying charges on the Lands and the Development, including taxes, and the sums in lieu of taxes;
- [c] licenses, assessments, insurance, repairs, replacements, upkeep, maintenance and operations;
- [d] adequate contributions to a capital replacement reserve fund and to any other reserve funds established by the Co-op;
- [e] all other fees, costs and expenses incurred in the management of the Lands and the Development;
- [f] the amount, if any, as may be required to meet any deficit in the preceding fiscal year; and
- [g] any other amounts reasonably required to accomplish the purposes for which the Co-op was incorporated.

Notwithstanding the above, if the Co-op is bound by statute or contract to set or maintain the monthly Housing Charge at a specified level or amount, the Directors, not the members, shall set the monthly Housing Charge payable hereunder by taking those obligations at law or contract into consideration.

4.05 Failure to pay Housing Charge

Failure of the Member to pay the Housing Charge, any additional or supplemental charge or any other amounts owing to the Co-op in accordance with this Occupancy Agreement and the Rules shall be cause for termination of membership under the Rules.

4.06 Problem in payment of Housing Charge

If the Member anticipates a problem in making any payment of the Housing Charge or any other charge on time, the Member shall notify the Co-op of this likelihood in advance of the due date of the Housing Charge. Notice by the Member shall not excuse the Member from any obligation hereunder and shall be without prejudice to an action or proceeding which the Co-op may wish to undertake including termination of membership under the Rules.

4.07 NSF payments

If the Member's payment for monthly Housing Charges is not honoured by the Member's banking institution:

- [a] the Member will be deemed to have failed to make payment of Housing Charges as required hereunder; and
- [b] this may be cause for termination of membership under the Rules.

In addition the Member shall be liable for bank charges incurred in the processing of dishonoured payments and any penalties or fines set by the Directors.

4.08 Payment by bank draft

If the Member's payment is not honoured as contemplated in subsection 4.07 the Member shall, unless excused in writing by the Directors, make all future payments of Housing Charges and supplemental and additional charges by bank draft or money order payable to the Co-op.

4.09 Homeowner Grants

With regard to all homeowner, occupier and property tax rebates, grants, concessions and refunds available from municipal, provincial, and federal governments for which the Member may be eligible ("Homeowner Grants"), and except as otherwise provided by law:

- [a] the Member shall assign to the Co-op all Homeowner Grants; and
- [b] the Co-op shall pay to the Member the portion of any such Homeowner Grants which are paid or credited to the Co-op solely because of the Member's age, disability or special status.

4.10 Financial information

If any Member shall fail to complete any request, approval or other return or to provide any information required in respect of any Homeowner Grant with respect to the Unit upon written request the amount of any Homeowner Grant shall be payable in full by the Member to the Co-op immediately upon written notice to the Member.

4.11 Rent supplement/reduced Housing Charges

The Member acknowledges that:

- [a] rent supplement, assistance or subsidy may be paid by federal, provincial or municipal agencies or authorities to the Co-op with respect to members who meet and comply with the criteria and requirements established by the responsible agencies or authorities;
- [b] under the terms of a Co-op Policy, some members who meet and comply with the criteria set out in Policy may be eligible from time to time to pay a reduced Housing Charge; and
- [c] to substantiate eligibility of the Member to receive rent supplement, assistance or subsidy or to pay a reduced Housing Charge, the Member must:

- [1] provide verification of household income and any other proof or information required by the Directors; and
- [2] report any increases in household income and changes in household composition.

The Member authorizes the Co-op:

- [d] to take such steps as are necessary and reasonable to verify the accuracy of any information provided by the Member; and
- [e] to the extent required by Policy or by agreements binding the Co-op, to provide to an external party or parties all verification of income and other relevant information.

4.12 Household composition

For the purposes of 4.11, a household shall consist of the Member and all adult persons living in or intending to live in the Unit for more than 30 days in aggregate in the fiscal year.

4.13 Retroactive assessment

If the Member fails to comply with subsection 4.11:

- [a] the Directors may, in their sole and absolute discretion, increase the Housing Charge, to be assessed retroactively to the effective date of the Member's failure to comply; and
- [b] the assessed amount shall be payable in full by the Member to the Co-op immediately upon written notice to the Member.

5 Payment of Utilities

5.01 Utilities

The Member shall pay all applicable water, electrical, telephone and any utility, cablevision or similar charges or accounts, except for the cost of heat and hot water incurred in respect of the common areas. If the Member shall fail to pay the same, the Co-op may pay the same or any part thereof on behalf of the Member, and the amount so paid shall be due and payable by the Member to the Co-op immediately on written notice to the Member.

6 Rules and Policies

6.01 Comply with Rules and Policies

The Member shall comply with and cause the Member's family, guests, employees and any other person occupying or visiting the Unit to comply with:

- [a] all the terms, conditions and provisions of this Occupancy Agreement;
- [b] the terms and conditions set out in the Memorandum, the Rules and the Policies of the Co-op as amended from time to time; and
- [c] all changes and additions to the Occupancy Agreement to the same extent as if they were herein incorporated.

6.02 Rules and Occupancy Agreement govern

If there is a conflict or inconsistency between the Rules, the Occupancy Agreement and the Policies, the Rules and Occupancy Agreement govern.

6.03 Uniform application

Unless otherwise specifically provided therein, all Rules, this Occupancy Agreement and Policies shall apply to all members of the Co-op uniformly and without preference or discrimination.

7 **Use of Unit**

7.01 Principal residence

The Member shall use the Unit and all parts thereof only:

- [a] as the Member's principal residence; and
- [b] for no other purpose except as provided by Co-op Policy or as provided herein without the prior written consent of the Directors.

Without limiting the generality of the foregoing, the Member shall not permit any other person occupying or visiting the Unit to use or conduct from the Unit any active or daily trade, business or profession except as provided by Co-op Policy or as provided herein.

7.02 Good neighbour provision

The Member shall not use the Unit and shall not permit any person occupying or visiting the Unit to use the Unit in any way or engage in conduct which:

- [a] interferes with or disturbs other members' quiet or peaceful enjoyment of the Development;
- [b] unreasonably annoys or interferes with the other members of the Co-op by sound, conduct or other activity;
- [c] obstructs or interferes with the rights of other persons;
- [d] obstructs the roads, sidewalks or areas designated as common areas;
- [e] injures the reputation of the Co-op; or
- [f] in any other way breaches this Occupancy Agreement or any Policy.

7.03 Home-based business

Subject to the good neighbour provision:

- [a] No commercial or retail use is permitted in the Unit or areas designated as common areas except for home-based businesses that meet the requirements of this section.
- [b] A home-based business will be permitted in a Unit if:
 - [1] the Member obtains all required licences, business-related insurance and otherwise complies with all municipal, provincial and federal laws; and
 - [2] the home based business does not:
 - [i] interfere with the use and enjoyment by other members or residents of their Unit; or
 - [ii] cause a nuisance, a hazard or unreasonable noise; or
 - [iii] create a parking concern, as determined by the Directors in their sole discretion; and
 - [3] parking meets the requirements of the applicable municipal by-law, and business-related parking shall be restricted to the Member's designated parking space(s); and
 - [4] the operation of the business complies with all Co-op Policies.

7.04 Deleted

8 Insurance Hazards

8.01 Responsibility for hazards

The Member shall not:

- [a] cause or permit any nuisance, or activity in the Unit or in any part of the Development; or
- [b] suffer anything to be done or kept therein,

which shall increase the cost of fire, liability and other hazards insurance upon the Lands or the Development or the contents therein.

9 Alterations to Property

9.01 Alterations require consent

Except with the prior written consent of the Directors, the Member shall not make or permit:

- [a] any structural alterations, changes or additions in or to the Unit; or
- [b] any alterations, changes or additions in or to the exterior of the Development or any building or structure forming a part thereof, or any part of the interior thereof.

Consent shall not entitle the Member to reimbursement for any amount expended by the Member for alterations, additions or changes.

9.02 Restoration costs

The Member shall pay all costs of repair and restoration of the Unit which result from alterations, changes or additions made by the Member if the alterations, changes or additions have not been approved by the Directors. If the Member refuses or neglects for a period of ten days following receipt of written notice from the Directors to repair and

restore the Unit to its original condition, then the Directors without further notice to the Member may:

- [a] cause repair and restoration of the Unit to be made; and
- [b] enter or cause their agents or servants to enter the Unit for that purpose.

All expenses and costs incurred by the Co-op in doing so shall be due and payable by the Member to the Co-op immediately upon written notice to the Member.

9.03 Municipal compliance of alterations

When consent is given for alterations as provided herein:

- [a] All alterations, changes or additions made by the Member shall comply with applicable municipal by-laws and regulations and provincial and federal building codes and requirements;
- [b] The Directors may require such proof of compliance as may be necessary, including further improvements, to bring the said alterations, changes or additions to the standards required, with all costs to be borne by the Member;
- [c] If the Member fails to comply with the standards required the Directors may cause all measures to be taken so as to comply and may cause their agents and servants to enter the Unit for that purpose; and
- [d] All expenses and costs incurred by the Co-op in doing so shall be due and payable by the Member to the Co-op immediately upon written notice to the Member.

9.04 No compensation for alterations

Upon withdrawal from or termination of membership:

- [a] the Member shall not receive any compensation from the Co-op for alterations, changes or additions left in, on or affixed to the Development or the Unit by the Member;

- [b] if the Member chooses to remove the alterations, changes or additions, the Unit must be left in the same condition as it was prior to the alterations, changes or additions having been made; and
- [c] if the Member refuses or neglects for a period of ten days following receipt of written notice from the Directors to repair and restore the Unit to its original condition, then the Directors without further notice to the Member may cause repair and restoration of the Unit to be made, and may enter or cause their agents or servants to enter the Unit for that purpose.

9.05 Compliance with alteration procedures

The Member shall comply with the procedures established by the Co-op from time to time for authorization and installation of alterations, changes or additions to the Unit.

10 Interior Maintenance and Repair of Unit

10.01 Interior condition

The Member shall at the Member's own expense, keep the interior of the Unit in good condition and repair and in keeping with the character of the rest of the Development.

10.02 Damage caused by leakage

The Co-op shall not be answerable or chargeable for any decorations nor for any damage caused to contents of the Unit by leakage or overflow of water, electricity, gas, oil, steam or vapour from any water, steam, drain, or gas or oil pipes or electrical conduits, or from any other source, belonging or appertaining to any other part of the Development.

10.03 Liability for damage

The Member shall be liable for any damage to any part of the Lands, Unit, or the Development caused by a pet of the Member or by those for whom the Member is responsible in law or caused by the negligent act or omission of either the Member or the Member's family, guests, agents, employees or any other person occupying or visiting the Unit.

10.04 Repairs as required

The Member shall make all repairs as required by the Occupancy Agreement in a manner acceptable to the Directors. If the Member at any time fails, refuses or neglects for a period of ten days after having received written notice from the Directors to make repairs, or to maintain the Unit in good condition, the Directors may:

- [a] cause the repairs to be made, or restore the Unit to good condition; and
- [b] enter or cause its agents or servants to enter the Unit for that purpose.

All expenses and costs incurred by the Co-op in doing so shall be due and payable by the Member to the Co-op immediately upon written notice to the Member.

10.05 Reports defects

The Member shall immediately report in writing to the Directors any failure or defect of electrical, mechanical, or structural components or systems of the Unit or the Development of which the Member has notice or knowledge.

10.06 Repairs on leaving

Upon withdrawal from or termination of membership in the Co-op, the Member shall surrender and deliver up to the Co-op vacant possession of the Unit, including all additions thereto, in the same condition and state of repair as at the date the Member took possession, (reasonable wear and tear and damage or loss by fire, tempest, earthquake, the Queen's enemies, and acts of God excepted).

10.07 Inspection on withdrawal or termination

The Directors shall cause the Unit to be inspected on, before, or within a reasonable time after withdrawal from or termination of membership and provide the Member with a written list of cleaning, repairs, changes, alterations and restorations which the Co-op requires to be carried out at the Member's expense.

10.08 Cost of repairs and cleaning

After the Member vacates the Unit:

- [a] the Directors shall provide the Member as soon as practical with a written schedule of estimated charges for cleaning, repairs, changes, alterations and restorations not carried out prior to vacating the Unit by the Member;
- [b] the Co-op may make decorations, repairs, changes, alterations or restorations to the Unit as may be necessary to put the Unit in the required condition and state of repair;
- [c] the total of the said charges shall be due and payable by the Member to the Co-op immediately on written notice to the Member; and
- [d] the Directors may deduct the charges from the amount paid for the Member's Shares.

11 Personal Insurance

11.01 No liability of Co-op for injury

The Co-op shall not be liable for any loss of property or personal injury for which a Member or any other person occupying or visiting the Unit is responsible at law and the Member shall hold the Co-op harmless from any claim with respect thereto.

11.02 Requirement for personal insurance

The Member shall at the Member's expense:

- [a] take and keep in force third party liability, standard fire and comprehensive insurance coverage on the member-supplied fixtures and improvements, furniture and all other contents of the Member's Unit under an insurance policy satisfactory to the Directors; and
- [b] provide the Directors with a copy of the insurance policy or other evidence satisfactory to the Directors on written request for the same,

but no acceptance by the Directors of any insurance policy shall constitute any approval or liability in respect of the adequacy or suitability thereof by the Directors or the Co-op.

11.03 Member may not claim under the Co-op's insurance policy

A Member may not make any claim or require or expect the Co-op to make a claim under the Co-op's insurance policy for any matter for which the Member has or ought to have insurance coverage under the Occupancy Agreement. If in the discretion of the Directors it is in the best interests of the Co-op to make a claim under its policy, the Member shall be liable for any applicable deductible of the Co-op.

12 Liens

12.01 Member not to permit liens

The Member shall not cause or permit any builders' liens or any other lien to be placed upon or against the Lands, the Development or the Unit on account of any material or labour used in the making of any decoration, alteration or repairs to the Unit.

12.02 Co-op may pay lien

If any lien is filed, or an attempt is made by any person, corporation or firm to file a lien against the Member's Unit by reason of the action, conduct or omission of the Member, the Co-op may, at its option:

- [a] pay and discharge any such lien or purchase any such lien; and
- [b] add the amount so paid to the Housing Charge due or to become due hereunder.

The amount shall be immediately due and payable by the Member to the Co-op upon written notice to the Member.

13 **Assignment and Subletting and Failure to Reside**

13.01 Subletting and assignment requires consent

Except with the prior written consent of the Directors, consent to be in the sole and absolute discretion of the Directors, the Member shall not:

- [a] assign this Occupancy Agreement;
- [b] sublet in whole or part the Unit;
- [c] otherwise part with possession of the Unit; or
- [d] encumber any interest in the Occupancy Agreement.

13.02 Failure to reside

The Member shall reside in the Unit on a full-time permanent basis as the principal residence of the Member and shall not without the written consent of the Directors, cease or fail to reside in the Unit on a full-time permanent basis for a period exceeding thirty (30) days.

14 Signs or Notices

14.01 Signs not permitted

Unless otherwise permitted by law, the Member shall not place signs or notices on any door, window or wall or other part of the Unit where they may be visible from the outside of the Unit without prior written consent of the Directors, consent to be in the sole and absolute discretion of the Directors.

15 Termination of Membership and Occupancy Agreement

15.01 Right of occupancy

The Occupancy Agreement and the right of the Member, and that of any person residing in the Unit, to possession or occupancy of the Unit shall terminate if the membership of the Member is terminated under the Rules.

15.02 Material conditions

For the purposes of the Rules and this Occupancy Agreement, material conditions of this Occupancy Agreement include, without limitation, Section 3 to Section 14 inclusive and Section 22 in their entirety.

15.03 Oppression remedies and arbitration do not apply

If the membership of the Member is terminated, the Member agrees that Sections 156 (i.e. oppression remedy) and 208 (i.e. arbitration) of the Act, and any grievance or dispute procedure that may exist in the Rules or the Policies of the Co-op do not apply and are expressly waived and shall not be invoked by the Member.

16 Notice and Delivery of Vacant Possession

16.01 Termination of Occupancy Agreement

This Occupancy Agreement shall be automatically terminated:

- [a] in the case of withdrawal from membership in the Co-op, at 12:00 noon on the effective date of withdrawal; or
- [b] in the case of termination of membership in the Co-op, at 12:00 noon on the date determined by the Co-op pursuant to the termination proceedings under the Rules.

16.02 Vacant possession

The Member agrees to immediately quit and give-up vacant possession of the Unit upon the effective date of withdrawal from or termination of membership. If the Member does not immediately quit and give up vacant possession then the Member shall pay to the Co-op:

- [a] an amount equal to the Housing Charges herein prorated on a daily basis for each day that the Member fails to quit and deliver vacant possession; and
- [b] any loss or damage the Co-op may suffer as a result of the failure to quit and deliver possession.

17 Withdrawal

17.01 Withdrawal from membership

Withdrawal of the Member from the membership of the Co-op shall terminate the Occupancy Agreement, and withdrawal shall occur:

- [a] at any time by written agreement signed by the Member and the Co-op;

- [b] by the Member giving at least two full calendar months' notice of withdrawal in writing, the time being calculated from the last day of the month in which notice is given; or
- [c] in the circumstances provided for withdrawal specified in the Rules of the Co-op.

17.02 Share redemption

Upon withdrawal from or termination of membership, the Co-op shall redeem the Member's Shares in the Co-op in the amount and in the manner specified in the Rules.

18 **Rights and Remedies/Waivers**

18.01 Cumulative rights

The rights and remedies hereby created are cumulative and are in addition to all common law and statutory rights and remedies. The use of one remedy shall not be taken to exclude or waive the right to the use of another. Said remedies may be proceeded under simultaneously or successively.

18.02 Failure to pursue remedies

Any failure by the Co-op to terminate the Member's membership because of any breach by the Member of any of the provisions of the Occupancy Agreement or any extension of time granted to the Member for the payments of any amount due under the provisions of the Occupancy Agreement, shall not in any way be construed as a waiver of any of the Co-op's rights hereunder or as an implied future waiver or extension on any subsequent default by the Member.

18.03 Non-waiver of remedies

The failure of the Co-op to insist in one or more instances upon a strict performance of the Member of any covenant herein contained, or the failure of the Co-op to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding hereunder shall not be construed to be a waiver or relinquishment for the future of such covenant, option or right, but, on the contrary, every such covenant, option and right shall continue and remain in full force and effect.

18.04 Waiver to be in writing

The receipt by the Co-op of any sum due by the Member, with the knowledge on the Co-op's part of any breach by the Member of any term, covenant or provisions hereof shall not constitute a waiver of the breach, and the Co-op shall not under any circumstances be considered to have waived any breach unless the waiver shall have been expressed in writing signed by two of the Co-op's officers pursuant to authority thereunder given by a resolution approved by the Co-op's Directors.

19 Termination on abandonment

19.01 Termination on abandonment

If the Member has abandoned the Unit, the Co-op may terminate the Member's membership under the Rules.

20 Management of the Co-op

20.01 Duty to pay

The Co-op shall pay insurance premiums on policies of insurance required to be held by the Co-op in accordance with this Occupancy Agreement, and shall pay the mortgage interest and principal amounts due and owing by the Co-op from time to time.

20.02 Management of Development

The Co-op shall maintain and manage the Development, keeping it and the grounds surrounding in good condition and repair, free from obstruction, and shall keep the passageways, roads, sidewalks and common grounds in good repair and order and well lighted.

20.03 Co-op to repair

The Co-op shall keep in good repair the foundations, walls, supports, roof, gutters, beams, pipes, electrical conduits and other equipment or machinery required for the proper operation and safety of the Development. The Co-op may, upon notice as herein required, enter into and upon any portion of the Unit for any of the purposes aforesaid.

21 Insurance of Development

21.01 Insurance by Co-op

With regard to insurance:

- [a] The Co-op shall keep the Development insured (except that this does not include insurance of personal property of the Member) against loss or damage by fire and other perils as the Directors in their discretion may determine.

- [b] In case any of the Development shall be partially damaged by fire or otherwise, the Co-op shall have the same repaired as speedily as possible at the Co-op's expense and in conformity with the plans and specifications on which the Development was erected, except as may be required by law or by Special Resolution of the members, and subject to the provisions of any mortgage charging the Lands.
- [c] In the case of destruction of all or substantially all of the Development by fire or otherwise, this Occupancy Agreement shall thereupon terminate. If the insurers shall elect to rebuild within a reasonable time, the Member shall be entitled to a replacement Unit in the rebuilt Development.

21.02 Damage appraisal

The Co-op shall have an appraisal made of any damage done to each Unit by reason of fire or otherwise. In repairing such damage it shall expend any insurance moneys collected by the Co-op proportionately in accordance with the ratio shown by the appraisal, subject however, to the provisions of any mortgage charging the Lands and Development.

22 **Right to Enter**

22.01 Entry for emergency

If any Co-op employee or agent, including the Co-op co-ordinator or manager, or any Director determines that an emergency exists in or about the Unit and the Member cannot be immediately contacted to authorize entry to the Unit, then any Co-op employee or agent, including the Co-op co-ordinator or manager, or any Director may, and is hereby authorized by the Member, without notice, to enter the Unit to remedy the emergency.

22.02 Costs on emergency entry

Any costs associated with the emergency, the entry or remedial measures shall be borne by the party or parties responsible, as shall be determined by the Directors and the costs to be paid by the Member shall immediately become due and payable by the Member to the Co-op upon written notice to the Member.

22.03 Entry for non-emergency

Where an emergency does not exist, a Co-op employee or agent, including the Co-op coordinator or manager, or any Director shall enter the Member's Unit only if:

- [a] the Member consents; or
- [b] the Directors give the Member 24 hours' written notice that access is required for a reasonable purpose.

22.04 Definition of "reasonable purpose"

"Reasonable purposes" shall include:

- [a] entry to access, inspect, or repair structures or systems of the Development;
- [b] entry for the purpose of determining if the Member has ceased to occupy the premises or has otherwise abandoned same; and
- [c] entry for the purposes of showing the Unit to a prospective member.

22.05 Time of entry

Entries except in cases of emergency shall be between the hours of 8:00 a.m. and 9:00 p.m.

22.06 No refusal to enter Unit

The Member may not refuse entry to the Unit where Sections 22.01 to 22.05 apply.

23 Serving Notices

23.01 Service of notice by the Co-op or by the Member

The Co-op and the Member must serve any notices as required under this Occupancy Agreement in the manner set out in the Rules.

24 Limitation of Liability

24.01 Liability limited

The Member shall indemnify the Co-op against, and save the Co-op harmless from all liability, loss, damage and expenses arising from injury to persons or property caused by the failure of the Member or any person occupying or visiting the Member's Unit to comply with any provisions of this Occupancy Agreement, or done wholly or in part to any act, default or omission by the Member or any person occupying or visiting the Member's Unit.

25 Miscellaneous Provisions

25.01 Part of the Rules

This Occupancy Agreement is Schedule "A" to, and forms part of, the Rules of the Co-op and is binding on the Member and the Co-op.

25.02 Amendments to the Occupancy Agreement

This Occupancy Agreement may only be amended or modified by a Special Resolution.

25.03 Interpretation

Wherever the singular or masculine are used in this Occupancy Agreement, the same shall be construed as meaning the plural or feminine or body corporate where the context or the parties hereto so require. Where there are two or more members party hereto, all obligations to be performed by the Member shall be deemed to be joint and several.

25.04 Successors and assigns

The obligations in this Occupancy Agreement shall be binding upon the Member, the respective heirs, executors, administrators, and successors of the Member as if the same had been signed and sealed by the Member. This Occupancy Agreement shall be binding upon and enure to the benefit of the permitted assigns of the respective parties hereto and replaces in its entirety any agreement entered into heretofore with respect to occupancy and use of the Unit.