

RULES OF O.U.R. ECOVILLAGE COOPERATIVE

PART 1 - INTERPRETATION

1 Definitions

In these Rules,

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

“**adjourned meetings**” means the meeting to which a meeting is adjourned;

“**Association**” means O.U.R. Ecovillage Cooperative;

“**board**” or “**the directors**” means the directors of the Association for the time being;

“**consensus**” means achieving unanimous agreement or agreement where no party opposes a motion;

“**member**” means a member of the Association;

“**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 cooperative is open in a non-discriminatory manner to individuals and organizations that are willing to participate in the sustainable stewardship of the lands and properties of the Association in accordance with its vision, mission and values, can use the services of the Association and are willing and able to accept the responsibilities of membership.

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 Shares are designated as membership shares and each member must, as a condition of membership, subscribe to at least one (1) of those shares.

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
- (1) giving written notice to the directors of the member's intention to withdraw, and
 - (2) 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 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 51 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 51 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
- (1) the member has engaged in conduct detrimental to the Association;
 - (2) 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;
 - (3) in the opinion of the directors, based on reasonable grounds, the member
 - (a) has breached a material condition of an agreement with the Association, and
 - (b) has not rectified the breach within a reasonable time after receiving written notice to do so from the Association, or
 - (4) the member has not transacted any business with the Association for a period of two (2) consecutive years.

Appeal of termination of membership

- 16 A member whose membership is terminated for the reason set out in Rule 15
- (1) may appeal the termination in accordance with the Act, and
 - (2) if he or she does so, the member continues to be a member of the Association, despite the resolution of the directors terminating the membership, unless the members at the general meeting to which the appeal is brought confirm the termination of membership by a simple majority.

Effect of termination, withdrawal or other cessation of membership

- 17 (1) When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to membership cease except the right to require the Association to redeem, in accordance with Rule 51 or 52, whichever is applicable, the member's membership shares.
- (2) The cessation of membership does not release the former member from any debt or obligation owed to the Association unless the instrument of debt or obligation states otherwise.

Classes of membership

18 The following classes of membership in Column 1 are established, below, with the special rights and restrictions set out opposite in Column 2,

Column 1 Class Membership	Column 2 Special rights and restrictions
Hearthkeeper Steward	Majority representation on the board of directors Must subscribe to ten (10) membership shares Develop, from time to time, a strategic plan for housing development and management for approval by the Board of Directors Take leadership for the activity of housing within the Association
Education Steward	Representation on the board of directors Must subscribe to one (1) membership share Develop, from time to time, a strategic plan for educational development within the cooperative for approval by the Board of Directors Take leadership for the activity of education within the Association
Community Steward	Representation on the board of directors Must subscribe to one (1) membership share Develop, from time to time, a strategic plan for community involvement and support for approval by the Board of Directors Take leadership for the activity of community involvement within the Association
Agricultural Steward	Representation on the board of directors Must subscribe to one (1) membership share Develop, from time to time, a strategic plan for agriculture within the Association for approval by the Board of Directors Take leadership for the activity of agriculture within the Association
Sustainable Enterprise Steward	Representation on the board of directors Must subscribe to one (1) membership share Develop, from time to time, a strategic plan for enterprise development within the Association for approval by the Board of Directors; Take leadership for the activity of enterprise within the Association

Application for class of membership

19 An individual or eligible organization that wishes to become a member of a class of membership must submit to the Association a written application for class of membership in the form provided by the Association for that purpose.

Approval of application for class of membership

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

Effective date of class of membership

21 Membership is effective on the day that the application for membership is approved under Rule 20.

Representation of Hearthkeeper Steward class on the board of directors

22 (1) The special right of the Hearthkeeper Steward class of membership to appoint majority representation to the Board of Directors applies when there are four (4) members of that class.

(2) Until there are four (4) members of the Hearthkeeper Steward class and the special right to appoint majority representation applies, the Hearthkeeper Steward class may appoint up to two representatives to the Board of Directors.

Representation of classes on the board of directors

23 (1) The special right of the Education Steward, Community Steward, Agricultural Steward, and Sustainable Enterprise Steward classes of membership to appoint representatives to the Board of Directors will apply to each class when that class has one member.

(2) Subject to Rule 22, the Board of Directors will establish, from time to time, the maximum number of representatives from each class of membership.

PART 3 – JOINT MEMBERSHIP

Joint membership

24 Membership in the Association may not be held jointly.

PART 4 - SHARE STRUCTURE

Authorized share structure

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

Dividends on membership shares

26 No dividends or interest may be paid on membership shares.

Transfer of membership shares

27 Membership shares may only be transferred to other members, and with the approval of the directors. No shareholders shall transfer their shares for profit.

PART 5 - PAYMENT FOR SHARES

Payment for shares

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

(2) Membership shares may be payable on call.

Calls on unpaid amount of membership shares

29 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

- 30 (1) If a call is not paid on or before the date set for payment by the resolution referred to in Rule 29, the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate of eight (8) percent per year from the date set for payment until the date of payment.
- (2) The interest that accumulates under subrule (1) is a debt due to the Association.
- (3) The directors may waive payment of interest due under subrule (2).

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 30, the directors may, at any time after that date, serve a notice on the member requiring payment within fourteen (14) days from the date of service of the unpaid amount of the call together with any interest that accrues under Rule 31.

Failure to comply with notice

- 32 If a member on whom or on which a notice has been served under Rule 33 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 34 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 34 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 31 to the date of the resolution under Rule 34 and that interest is a debt due to the Association.

PART 6 - SHARE CERTIFICATES**Entitlement to share certificate**

- 34 (1) The Association shall not issue certificates in respect of membership shares and except where requested to do so by a member.

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.

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
- (1) 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,
- (2) the directors are satisfied that the certificate is lost, stolen or destroyed,

- (3) the Association receives payment of the reasonable fee, if any, required by the directors for the issue of a replacement certificate, and
- (4) the Association receives the indemnity, if any, the directors consider appropriate.

PART 7 - TRANSFER OF SHARES

Requirements of instrument of transfer

- 38 (1) An instrument of transfer of any shares in the Association must
- (a) be in writing,
 - (b) specify the number and class of shares being transferred, and
 - (c) be executed and dated both by the transferor and transferee, or an attorney authorized in writing by the transferor or transferee, as applicable, or if the transferor or transferee is an eligible organization, by a duly authorized director, officer or attorney of the organization.
- (2) The transferor remains the holder of the shares until the name of the transferee is entered in the register of members.

Form of transfer

- 39 Shares in the Association may be transferred in the following form, or in another usual or common form approved by the directors:
- (i) I, [*transferor*], of [*address of transferor*] in consideration of the sum of \$..... paid to me by [*transferee*], of [*address of transferee*], do transfer to the transferee \$..... [*number and class*] shares in the [*name of association*], for which certificates are attached, to be held the transferee or his or her personal representatives and assignees, subject to the conditions on which I held the same at the time of the execution; and I, the transferee, agree to take the shares subject to those conditions.
 - (ii) Signed on (month, day, year).
 - (iii) (Signature of transferor)
 - (iv) (Signature of transferee)
 - (v) (Signature of witness)

Effective date of transfer of shares

- 40 A transfer of shares does not take effect until
- (1) any lien of the Association on the shares has been satisfied,
 - (2) the transferee has become a member of the Association;
 - (3) the transfer has been authorized by the directors, and
 - (4) the name of the transferee is entered in the register of members.

Registering a transfer

- 41 The directors must immediately enter the name of the transferee in the register of members when, with respect to the transfer of a share,
- (1) the requirements set out in Rule 42 (1) and (2) have been met,
 - (2) a duly executed instrument of transfer with the certificate issued in respect of the share attached has been delivered to the Association, and
 - (3) that certificate has been cancelled.

Effect of lien on transfer or assignment of shares

- 42 The Association may refuse to register a transfer or acknowledge an assignment of membership shares, affected by a lien established by the Act.

PART 8 - TRANSMISSION OF SHARES

Procedure on death of a member

- 43 The person entitled to the membership of a deceased member may, on providing proof satisfactory to the directors of the death of the member and the person's entitlement,
- (1) if the person is not a member, apply under Part 2 for membership in the Association,
 - (2) if the person is a member, request that the directors register the membership in the member's name, or
 - (3) apply to the directors to redeem the shares.

Registration of share prohibited if person entitled is not a member

- 44 The Association must not register a membership share in the name of the person entitled to a deceased member's shares unless
- (1) that person is a member, and
 - (2) the transfer has been authorized by the directors.

Redemption of shares

- 45 If the person entitled to the membership share of a deceased member does not
- (1) qualify for membership under Part 2
 - (2) the directors do not authorize the transfer of shares to that person, or
 - (3) that person applies to the directors to redeem the shares,
- the Association must, subject to the Act, redeem those shares by paying to that person, within one (1) year of the date on which the person provided the Association with proof of his or her entitlement, the amount paid up on the shares.

PART 9 - REDEMPTION OF SHARES

Association authorized to purchase and redeem its shares

- 46 Subject to the Act, these Rules and the special rights and restrictions attached to 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.

Redemption of shares to be made ratably

- 47 (1) If the Association proposes, at its option, to redeem some but not all of the shares, it must make its offer ratably 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 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 one (1) year from the effective date of the withdrawal.

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 immediately.

Amount paid on redemption

- 51 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

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

PART 11 - GENERAL MEETINGS OF THE ASSOCIATION

Annual general meetings

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

Business at annual general meeting

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

- (1) report of the directors;
- (2) financial statement;
- (3) auditor's report, if applicable;
- (4) election or appointment of directors;
- (5) appointment or waiver of appointment of an auditor.

Order of business at annual general meeting

55 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:

- (1) meeting to be called to order;
- (2) notice convening meeting to be read;
- (3) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
- (4) business arising out of minutes to be considered;
- (5) reports of standing and special committees to be read;
- (6) financial statement to be placed before the meeting;
- (7) reports of directors and auditors to be read;
- (8) election of directors and appointment of auditors;
- (9) special business to be considered;
- (10) unfinished business to be considered;
- (11) new business to be considered.

Special business

- 56 (1) Any business other than business listed in Rule 56 is special business.
(2) Special business must be approved by special resolution of the members unless the Act or these Rules require otherwise.

Special general meetings

- 57 (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.

Time and place of general meetings

58 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.

Provision for 2 or more general meetings for the same matters

- 59 (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, two (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.

Record date

- 60 (1) The record date for any general meeting is the thirtieth (30th) day of the month 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

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

Financial statement

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

Notice of special business

- 63 If special business is to be considered at a general meeting, the notice of the meeting under Rule 63 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

- 64 (1) If a special resolution is to be proposed at a general meeting, the notice under Rule 63 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 63 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

- 65 If a general meeting is adjourned for fewer than thirty (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 thirty (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

- 66 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

- 67 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

68 The quorum for the transaction of business at a general meeting is twenty (20) percent of the total number of members entitled to vote at the meeting, but at no time shall fewer than four members constitute a quorum.

Requirement of quorum

69 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

70 (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 ½ hour from the time appointed, the members present in person or represented by proxy are deemed to constitute a quorum.

Chair

71 The members present at a general meeting shall choose a member to chair the general meeting.

Adjournments by chair

72 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

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

Minutes of meetings

74 The secretary must record the minutes of all resolutions and proceedings at a general meeting in books provided by the directors for that purpose.

Persons entitled to be present

75 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.

Other persons may be admitted

76 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

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

PART 12 - VOTING AT GENERAL MEETINGS

Actions to be determined by ordinary resolution

78 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

79 In case of an equality of votes,
(1) the chair of a general meeting is not entitled to a second or casting vote, and
(2) the motion is lost.

Decisions by show of hands or poll

80 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
(1) 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
(2) 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

81 (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 seven (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

82 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

83 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

84 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

85 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

86 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 favour of or against that motion.

Retention of ballots and proxies

- 87 Each ballot cast on a poll, and each proxy appointing a proxy holder who casts a ballot on a poll,
- (1) must be kept at the registered office of the Association for three (3) months after the general meeting,
 - (2) during the period referred to in paragraph (a), must be open to inspection at the registered office of the Association during the Association's normal business hours by any member or proxy holder entitled to vote at the meeting from which the ballot and the proxy came, and
 - (3) may be destroyed at the end of the period referred to in paragraph (a).

PART 13 - VOTING RIGHTS OF MEMBERS

Voting rights and restrictions

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

Votes of persons in representative capacity

- 89 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, 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

- 90 If there are two (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.

Representative of eligible organization

- 91 If an eligible organization provides evidence that complies with Rule 94 of the appointment of an individual to represent it at a general meeting,
- (1) 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 of the Association present, and
 - (2) the representative, if present at a meeting, is to be counted for the purpose of forming a quorum.

Entitlement to Vote

- 92 Members may not vote by proxy.

Production of evidence of authority to vote

- 93 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 14 - DIRECTORS

Duties of directors

- 94 The directors must manage the Association in accordance with the responsibilities, duties and powers set out in the Act, the regulation, the Memorandum and these rules.

Number of directors

- 95 (1) The Association must have in accordance with the Act, at least three (3) directors.
(2) Up to twenty (20) percent of the directors may be persons who are not members of the Association.

PART 15 - ELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS

Election at annual general meeting

96 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 107.

Nomination of candidates

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

Voting by secret ballot

98 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

99 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

100 (1) 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, subject to subsection 104(2).
(2) Elections to the board of directors are at large, however the final composition of the board of directors may include representation from each class of membership in accordance with Rules 18, 22 and 23.

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

101 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,
(1) the directors who have already been elected in the election, and
(2) 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

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

Staggered terms of office of directors

103 (1) In this section, “**first (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) Directors shall be elected for a two (2) year term, except that in the election of directors held at the first (1st) annual general meeting, one half (1/2) of the directors elected shall be elected for a term ending at the second (2nd) annual general meeting, one half (1/2) shall be elected for a term ending at the third (3rd) annual general meeting.
(4) In the elections of directors held at each annual general meeting beginning with the 2nd annual general meeting, the directors to be elected must be elected for a two (2) year term.

Effect of vacancy on ability of directors to act

104 (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 99 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 99 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

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

Director ceasing to hold office

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

Removal of director

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

PART 16 - MEETINGS OF DIRECTORS

Meetings of directors

108 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.

Time and place of meetings

109 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

110 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

111 (1) Subject to Rules 116, 117, 118, 119 and 120, at least ten (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) by telegram, telex, facsimile transmission, or any other 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) declaring patronage returns or dividends on shares;
 - (f) redeeming shares issued by the Association;
 - (g) approving a financial statement of the Association;
 - (h) 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 telegram, telex, facsimile transmission or other electronic 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

112 If a quorum of directors is present, the directors newly elected at an annual general meeting, without notice, may hold a meeting of the board immediately after that general meeting.

Regular meetings

- 113 (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

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

Notice of adjourned meeting

115 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

116 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

117 A quorum of the board is a majority of the total number of directors authorized by the Association under Rule 99.

Chair

- 118 (1) The directors will appoint a chair for each meeting.
- (2) The president, or in the absence of the president the vice-president, will chair the meeting where no agreement can be reached about which director will chair the meeting.

Voting at meetings

119 (1) Questions arising at any meeting of the directors are to be decided by consensus of the directors, unless the Act or these Rules require otherwise.

- (2) Where consensus cannot be reached within a reasonable period of time, the decision shall be decided by a majority vote of at least eighty (80) percent of the directors.

Minutes of directors' meetings

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

Transaction of business without a meeting

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

Effective date of written resolution

122 A resolution referred to in Rule 125 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

123 For the purposes of a resolution referred to in Rule 125, written consent may be provided by telegram, telex, facsimile, electronic mail transmission or any other method of transmitting legibly recorded messages.

Meetings by conference telephone

124 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.

PART 17 - COMMITTEES OF DIRECTORS

Appointment of committees

- 125 (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.

Variation of terms of reference

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

Time and place of committee meetings

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

Quorum

128 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

129 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

130 A committee of directors may, by resolution, choose a chair for each meeting.

Voting at committee meetings

- 131 (1) Questions arising at any meeting of a committee of directors are determined by a consensus of the members present.
- (2) Where consensus cannot be reached within a reasonable period of time, questions will be decided by a majority vote of at least seventy five (75) percent.

Minutes of committee proceedings

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

PART 18 - OFFICERS

Appointment of president and vice-president

- 133 (1) The board must appoint, by resolution, a president and vice-president of the Association from among the directors.
- (2) The president and vice-president must be members of the Association.

Appointment of other officers

- 134 (1) The board may appoint, by resolution, a secretary, a treasurer and other officers that the board determines are necessary.
- (2) The officers appointed under subrule (1) may be, but need not be, directors.

One person may hold more than one office

- 135 Two offices of the Association may be held by the same individual, with the exception of president who may only hold one office.

Powers and duties of officers

- 136 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.

Term of office and remuneration

- 137 (1) The board must determine the term of office.
- (2) Board directors and officers shall serve without any remuneration or compensation.

PART 19 - CONFLICT OF INTEREST RULES FOR DIRECTORS AND OFFICERS

Act applies

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

PART 20 - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Act applies

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

PART 21 - FINANCES

Borrowing powers

- 140 The directors may, for the purposes of the Association, on behalf of the Association,
- (1) borrow or raise money in the manner and amount, from such sources, on terms and conditions, and
- (2) issue notes, bonds, debentures and other debt securities as the directors consider appropriate.

Investment powers

141 Subject to any limitations adopted by the directors, and, if applicable, to Rule 146, the directors may invest the funds of the Association in the manner they consider appropriate.

Limitations on investing

142 The Association must not provide loans on the security of its shares.

Auditor

143 (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 Association may, by special resolution, waive the appointment of an auditor in any given year. Such waiver applies only to the year in which the resolution was passed.

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

Accounting records

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

Financial year

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

Use of surplus funds

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

(1) first, to the reserves required by Rule 151;

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

Reserves

147 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 150:

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

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

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

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

Application of reserves

148 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.

PART 22 - DISPUTE RESOLUTION**Disputes to be referred to arbitration committee of members**

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

Commencement of arbitration proceedings

150 (1) An arbitration referred to in Rule 159 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.

Nomination of committee members

151 Within fourteen (14) days of receipt of a notice referred to in Rule 160, 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 two (2) nominated members.

Failure to nominate committee

152 If for any reason an arbitration committee has not been appointed within six (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 161.

Consolidation of disputes

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

- (1) the disputes are similar, and
- (2) 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

154 (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

155 (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

156 (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 four (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

157 Parties to an arbitration must bear their own costs.

PART 23 - NOTICES

Notice to directors, members, and other persons

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

- (1) delivered personally,
- (2) delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,
- (3) 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,
- (4) sent to the person by electronic or facsimile transmission to a telephone number provided for that purpose, or
- (5) served in accordance with Rule 175 or 176.

Notice to Association

159 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

- (1) delivered to the registered office of the Association,
- (2) mailed to the registered office of the Association by prepaid mail,
- (3) sent by facsimile transmission to a telephone number provided for that purpose, or
- (4) served in accordance with the Act.

Deemed receipt

160 (1) A notice given in accordance with Rules 168 (2) or 169 (1) is deemed received when it is delivered.

(2) A notice given in accordance with Rules 168 (3) or 169 (2) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

(3) A notice given in accordance with Rules 168 (4) or 169 (3) is deemed to be received at the time the notice is sent by facsimile.

Computation of time

161 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

162 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

163 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

164 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

- 165 (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

- 166 Service on the Association must be in accordance with the Act.

PART 25 - CORPORATE SEAL AND EXECUTION OF INSTRUMENTS

Use of corporate seal

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

Custody of seal

- 168 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

- 169 The seal must not be impressed on any instrument unless that impression is attested by the signature or signatures of
- (1) any two (2) directors,
 - (2) an officer and a director, or
 - (3) one or more directors, officers or other persons as determined by resolution of the directors.

Execution of documents where no seal

- 170 Subject to Rule 37, 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 179.

PART 26 - RECORDS

Records of the Association

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

PART 27 - ALTERATION OF MEMORANDUM OR RULES

Alteration of memorandum or Rules

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

Signed by the subscribers to the Memorandum of Association at _____, B.C.,
this _____ day of _____, 2013

Witness to the above signature(s):

Name (print)

Signature

Address

Address