

# **RULES OF HUB CITY CYCLES COMMUNITY COOPERATIVE**

## **PART 1 - INTERPRETATION**

### **Definitions**

1. In these Rules,  
“Act” means the Cooperative Association Act of British Columbia from time to time in force and all amendments to it;  
“adjourned meetings” means the meeting to which a meeting is adjourned;  
“Association” means Hub City Cycles Community Cooperative;  
“board” or “the directors” mean the directors of the Association for the time being;  
“member” means a member of the Association;  
“user member” means an individual or eligible organization that makes use of the services provided by the Association ;  
“worker member” means an individual, engaged in work of any type for the Association;  
“support member” mean an individual or eligible organization that has an interest in the achievement of the Association’s objectives but does not intend to use the services provided by 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 Association is open in a non-discriminatory manner to individuals and eligible organizations that are interested in supporting or using 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 of a class of membership must submit to the Association a written application for that class of membership in the form provided by the Association for that purpose, and payment for the minimum number of membership shares required under Rule 9 for membership in the Association.

### **Joint Membership**

7. There shall be no joint membership.

### **Age qualification**

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

**Minimum share requirement**

9. As a condition of membership, each member must subscribe to the number of membership shares set out for the class of membership to which they are applying, per rule 10.

**10. Classes of Membership**

Membership in the association shall be divided into three classes

<b>Class of Membership</b>	<b>Special Rights and Restrictions</b>
Worker Member	An individual, engaged in work of any type for the Association, who has been accepted into membership pursuant to Rule 12. Must subscribe to a minimum of 20 membership shares.
User member	An individual or eligible organization that makes use of the services provided by the Association and who has been accepted into membership pursuant to Rule 12. Must subscribe to a minimum of 1 membership share.
Support member	An individual or eligible organization that has an interest in the achievement of the Association’s objectives but does not intend to use the services provided by the Association. Must subscribe to a minimum of 1 membership share.

**Share Certificates**

11. No share certificates shall be issued.

**Approval of application**

12. 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. Upon approval of an application for membership, the directors or person(s) authorized by the directors to approve applications for membership shall assign the applicant to a class of membership, pursuant to Rule 10.

**Effective date of membership**

13. Membership is effective on the day that the application for membership is approved under Rule 12.

**Withdrawal from membership**

14. A member may withdraw from membership in the Association by giving written notice to the directors of the member’s intention to withdraw.

**Effective date of withdrawal**

15. The membership of a member ceases on the date the member has complied with the requirements of Rule 14.

**Notice of death or bankruptcy of individual member**

16. 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 14, 15, 20 and 37 apply with the necessary changes, so far as applicable.

**Notice of bankruptcy, liquidation or dissolution of eligible organization member**

17. 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 14, 15, 20 and 37 apply with the necessary changes, so far as applicable.

**Grounds for termination of membership**

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

- 18.1. the member has engaged in conduct detrimental to the Association,
- 18.2. 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,
- 18.3. in the opinion of the directors, based on reasonable grounds, the member
  - 18.3.1. has breached a material condition of an agreement with the association, and
  - 18.3.2. has not rectified the breach within a reasonable time after receiving written notice to do so from the Association

### **Appeal of termination of membership**

19. The right of appeal of a person whose membership in the Association is terminated for a reason set out in Rule 18.1 to 18.3 is governed by the Act.

### **20. Effect of termination, withdrawal or other cessation of membership**

20.1. 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 37 or 38, whichever is applicable, the member's membership shares.

20.2. 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.

## **PART 3 – SHARES STRUCTURE & PAYMENT**

### **Authorized share structure**

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

### **Investment shares**

22. The Association will not issue investment shares.

### **23. Payment for shares**

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

23.2. Membership shares may be payable on call.

### **Calls on unpaid amount of membership shares**

24. 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.

### **25. Interest on unpaid call**

25.1. If a call is not paid on or before the date set for payment by the resolution referred to in Rule 24, the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate of 8% per year from the date set for payment until the date of payment.

25.2. The interest that accumulates under subrule 25.1 is a debt due to the Association.

25.3. The directors may waive payment of interest due under subrule 25.2.

### **Dividends or interest on membership shares**

26. No Member shall receive interest or dividends on shares of the Association.

### **Notice requiring payment of call**

27. If a member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 24, the directors may, at any time after that date, serve a notice on the member requiring payment within 14 days from the date of service of the unpaid amount of the call together with any interest that accrues under Rule 25.

### **Failure to comply with notice**

28. If a member on whom or on which a notice has been served under Rule 27 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.

### **29. Effect of forfeiture**

29.1. A forfeiture under Rule 28 is effective on the date that the directors make the resolution referred to in that Rule.

29.2. A member whose share has been forfeited in accordance with a resolution under Rule 28 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.

- 29.3.** 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.
- 29.4.** A member whose share has been forfeited remains liable to the Association for interest that accrued under Rule 25 to the date of the resolution under Rule 28 and that interest is a debt due to the Association.

#### **Transfer of Shares**

- 30.** Shares in the Association are not transferable.

### **PART 4 - TRANSMISSION OF SHARES**

#### **Procedure on death of a member**

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

#### **Registration of share prohibited if person entitled is not a member**

- 32.** The Association must not register a membership share in the name of the person entitled to a deceased member's shares unless
- 32.1.** that person is a member, and
- 32.2.** the transfer has been authorized by the directors.

#### **Redemption of shares**

- 33.** If the person entitled to the membership share of a deceased member does not qualify for membership under Part 2 or the directors do not authorize the transfer of shares to that person, the Association must, subject to the Act, redeem those shares by paying to that person, within 4 months 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 5 - REDEMPTION OF SHARES**

#### **Association authorized to purchase and redeem its shares**

- 34.** Subject to the Act, these Rules and the special rights and restrictions attached to any class of 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.

#### **35. Redemption of shares to be made ratably**

- 35.1.** If the Association proposes, at its option, to redeem some but not all of the shares of any class of shares, it must make its offer ratably to every shareholder who holds shares of that class of shares.
- 35.2.** A redemption of shares under subrule 35.1 must be made on a fair and equitable basis.

#### **Sale and voting of redeemed shares**

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

#### **Redemption of shares on withdrawal of membership**

- 37.** Subject to the Act, if a member withdraws from membership, the period within which the Association must redeem the shares of the former member is 4 months from the effective date of the withdrawal, but the Association may defer that redemption until all money owed to the Association by the former member is paid.

**Redemption of shares on termination of membership**

38. If the Association terminates the membership of a member under Rule 18, the Association must redeem the shares of the member in accordance with the Act.

**39. Entitlement to redemption**

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

39.2. A member who wishes to have the Association redeem any of his or her shares under subrule 39.1 must give written notice to the Association and the Association, on receipt of the share certificates relating to the shares to be redeemed, and subject to the Act, must pay the member the amount paid up on the shares within 4 months.

**Amount paid on redemption**

40. 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 6 - REGISTER OF MEMBER SHAREHOLDERS**

**Register of Member Shareholders**

41. The Association must keep and maintain a register of member in accordance with the Act.

**PART 7 - GENERAL MEETINGS OF THE ASSOCIATION**

**Annual general meetings**

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

**Business at annual general meeting**

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

- 43.1. report of the directors;
- 43.2. financial statement;
- 43.3. auditor's report, if applicable;
- 43.4. election or appointment of directors;
- 43.5. appointment or waiver of appointment of an auditor.

**Order of business at annual general meeting**

44. 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:

- 44.1. meeting to be called to order;
- 44.2. Quorum confirmed
- 44.3. notice convening meeting to be read;
- 44.4. minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
- 44.5. business arising out of minutes to be considered;
- 44.6. reports of standing and special committees to be read;
- 44.7. financial statement to be placed before the meeting;
- 44.8. reports of directors and auditors to be read;
- 44.9. election of directors and appointment of auditors;
- 44.10. special business to be considered;
- 44.11. unfinished business to be considered;
- 44.12. new business to be considered.

**45. Special business**

45.1. Any business other than business listed in Rule 43 is special business.

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

#### **46. Special general meetings**

- 46.1.** 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.
- 46.2.** The requisitioning of a special general meeting by the members must be in accordance with the Act.
- 46.3.** The directors may determine the order of business at a special general meeting.

#### **Time and place of general meetings**

- 47.** 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.

#### **48. Provision for 2 or more general meetings for the same matters**

- 48.1.** If it is not possible to hold one general meeting at a time when, or place where, a large portion of the membership is able to attend, 2 or more general meetings may be held at the times and the places in British Columbia that the directors specify in accordance with the Act.
- 48.2.** Votes taken at meetings referred to in subrule 48.1 must be by secret ballot.
- 48.3.** The sum of the total votes taken at the meetings referred to in subrule 48.1 determine whether a resolution considered at those meetings is adopted or rejected.

#### **49. Record date**

- 49.1.** The record date for any general meeting is the 30th day before the date of the meeting of members.
- 49.2.** 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**

- 50.** 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**

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

#### **Notice of special business**

- 52.** If special business is to be considered at a general meeting, the notice of the meeting under Rule 50 must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgment concerning the business.

#### **53. Notice of special resolution**

- 53.1.** If a special resolution is to be proposed at a general meeting, the notice under Rule 50 of that meeting must include
  - 53.1.1.** the full text of the special resolution, or,
  - 53.1.2.** 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.
- 53.2.** If a notice under Rule 50 contains a summary of the text of a special resolution as provided in subrule 53.1.2, the notice must also state the place where the full text of that special resolution can be read or copied.

#### **Notice of adjourned meeting**

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

#### **Manner of giving notice**

- 55.** The notice and financial statement required to be provided to members under this Part must be given in a manner permitted in Part 16 of these Rules.

**Meeting valid despite failure to give notice**

56. 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.

**57. Quorum**

57.1. If there are fewer than 150 Members, no business shall be transacted at a general meeting unless a quorum of 5 Members or 10% of the membership--whichever is greater--is present in person at the time when the meeting proceeds to business.

57.2. If there are 150 or more Members, no business shall be transacted at a general meeting unless a quorum of 15 members are present in person at the time when the meeting proceeds to business.

**Requirement of quorum**

58. 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.

**59. Lack of quorum**

59.1. If, within one hour from the time appointed for a general meeting, a quorum is not present, the meeting,

59.1.1. if convened by requisition of members, must be dissolved, and

59.1.2. 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.

59.2. If at the adjourned meeting referred to in subrule 59.1 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**

60. Subject to Rule 61, the president or, in the absence of the president, the vice-president of the Association, must preside as chair at every general meeting.

**Alternate chair**

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

**Adjournments by chair**

62. 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**

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

**Minutes of meetings**

64. 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**

65. 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**

66. A person who is not entitled to be present at a general meeting under Rule 65 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**

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

## **PART 8 - VOTING AT GENERAL MEETINGS**

### **Actions to be determined by ordinary resolution**

68. 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**

69. In case of an equality of votes,  
69.1. the chair of a general meeting is not entitled to a second or casting vote, and  
69.2. the motion is lost.

### **Decisions by show of hands or poll**

70. 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  
70.1. 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  
70.2. 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.

### **71. Polls**

- 71.1. 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.  
71.2. Subject to Rule 73, a poll must be taken in the manner and at the time, either at the general meeting or within 7 days after the date of the meeting, and at the place that the chair of the meeting directs.  
71.3. The result of the poll is deemed to be a resolution of the general meeting at which the poll is demanded.  
71.4. The person who demanded a poll may withdraw the demand before the poll is taken.

### **Chair must resolve dispute on a poll**

72. 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**

73. 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**

74. 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**

75. 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**

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

### **Retention of ballots**

77. Each ballot cast on a poll,  
77.1. must be kept at the registered office of the Association for 3 months after the general meeting,  
77.2. during the period referred to in paragraph 77.1 must be open to inspection at the registered office of the Association during the Association's normal business hours by any member entitled to vote at the meeting from which the ballot came, and  
77.3. may be destroyed at the end of the period referred to in paragraph 77.1.

## **PART 9- VOTING RIGHTS OF MEMBER SHAREHOLDERS**

### **Voting rights and restrictions**

78. 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**

79. A person who is not a Member but who is entitled to vote at a general meeting by virtue of being the designated representative of an eligible Member-organization 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.

### **Proxy Voting**

80. Proxy voting is not permitted.

### **Executors or administrators as joint shareholders**

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

### **Production of evidence of authority to vote**

82. 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 10 - DIRECTORS**

### **Duties of directors**

83. 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.

### **84. Number of directors**

84.1. The Association must have,

84.1.1. in accordance with the Act, at least 3 directors, and

84.1.2. not more than 5 directors

84.2. The number of directors may be changed within the limits set out in subrule 84.1 by ordinary resolution of the members.

84.3. There must not be a minority of worker members on the board.

### **Qualifications for directors**

85. The required qualifications of directors are governed by the Act.

## **PART 11 - ELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Election at annual general meeting**

86. 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 93.

### **Nomination of candidates**

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

### **Voting by secret ballot**

**88.** 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**

**89.** 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**

**90.** 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 rule 84.3.

**90.1.** If the new candidates to be elected to the board would create a minority of worker members on the board, the worker member candidate(s) with the highest number of votes would displace the non-worker member candidate(s) to be elected to the board with the lowest number of votes until there is not a minority of worker members on the board.

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

**91.** 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, the directors who have already been elected in the election, and 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, subject to rule 84.3.

### **Consent to act as director**

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

### **93. Staggered terms of office of directors**

**93.1.** In this section, “1st annual general meeting” means the first general meeting of the Association.

**93.2.** The term of office of a director ends at the end of the annual general meeting at which a replacement is elected.

**93.3.** A reduction in the number of directors under Rule 84 does not affect the unexpired term of a director in office.

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

**93.5.** In the election of directors held at the 2nd annual general meeting,

**93.5.1.** if the Board has an even number of directors,

**93.5.1.1.** half of the directors must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and

**93.5.1.2.** the remainder must be elected for a term ending at the next annual general meeting, or

**93.5.2.** if the Board has an odd number of directors,

**93.5.2.1.** a simple majority must be elected for a term ending at the 2nd annual general meeting after the general meeting at which those directors were elected, and

**93.5.2.2.** the remainder must be elected for a term ending at the next annual general meeting.

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

### **94. Effect of vacancy on ability of directors to act**

**94.1.** Despite any vacancy on the board, the continuing directors

- 94.1.1.** 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
- 94.1.2.** 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.
- 94.2.** Except in the circumstances described, and to the extent authorized in subrule 94.1.2 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 84 or a failure to elect the minimum number of directors required by these Rules.
- 94.3.** In the circumstances described in subrule 94.1.2 or when there are vacancies on the board as a result of an increase in the number of directors under Rule 84 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.
- 94.4.** The term of office of a director appointed under subrule 94.1.1 is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.
- 94.5.** The term of office of a director appointed under subrule 94.1.2 or 94.2 is until the vacancy is filled under subrule 94.3.
- 94.6.** 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**

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

#### **Director ceasing to hold office**

- 96.** The office of Director shall be vacated if the Director:
  - 96.1.** ceases to be a Member or hold less than 20 shares if a worker member or hold less than 1 share if a user or support member;
  - 96.2.** violates the conflict of interest provisions of the Act;
  - 96.3.** is absent from 3 consecutive regular meetings of the Directors without the consent of the Directors.

#### **Removal of director**

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

## **PART 12 - MEETINGS OF DIRECTORS**

#### **Meetings of directors**

- 98.** 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**

- 99.** 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**

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

#### **101. Notice of meeting**

- 101.1.** Subject to Rules 102,103,104,105 and 106, at least 7 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
  - 101.1.1.** by personal delivery,

- 101.1.2. by mail addressed to the director's address as it appears in the register of directors,
  - 101.1.3. by leaving it at the director's usual business or residential address,
  - 101.1.4. by telegram, telex, facsimile transmission, or any other method of transmitting legibly recorded messages, or
  - 101.1.5. by telephone to the director's telephone number as provided by the director.
- 101.2. 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:
- 101.2.1. a question or matter requiring approval of the members;
  - 101.2.2. filling a vacancy on the board;
  - 101.2.3. filling a vacancy in the office of auditor;
  - 101.2.4. issuing shares;
  - 101.2.5. redeeming shares issued by the Association;
  - 101.2.6. approving a financial statement of the Association;
  - 101.2.7. 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.
- 101.3. A notice mailed under subrule 101.1.2 is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- 101.4. A notice given in accordance with subrule 100.1.3 is deemed received when it is delivered.
- 101.5. A notice given under subrule 101.1.4 is deemed received at the time the telegram, telex, facsimile transmission or other electronic transmission is sent.
- 101.6. A notice given under subrule 101.1.5 is deemed received at the time the information is provided by telephone.

#### **Meeting of new board**

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

#### **103.Regular meetings**

- 103.1. 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.
- 103.2. A copy of the resolution under subrule 103.1 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**

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

#### **Notice of adjourned meeting**

105.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**

106.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**

107.A quorum of the board is a majority of the total number of directors authorized by the Association under Rule 84.

#### **108.Chair**

- 108.1. The president of the Association or, in the absence of the president, the vice-president must chair all meetings of the board.
- 108.2. If both the president and vice-president are absent from a meeting of the board, the directors present must appoint one of their number to chair the meeting.

### **Voting at meetings**

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

### **Minutes of directors' meetings**

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

### **Transaction of business without a meeting**

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

### **Effective date of written resolution**

**112.** A resolution referred to in Rule 111 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**

**113.** For the purposes of a resolution referred to in Rule 111, written consent may be provided by telegram, telex, facsimile transmission or any other method of transmitting legibly recorded messages.

### **Meetings by conference telephone**

**114.** 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 13 - COMMITTEES & OFFICERS**

### **115. Appointment of Officers**

The Directors shall elect a chair and vice-chair from their number who shall serve for a term of one year or until a successor is elected, and may appoint a manager, secretary and treasurer, each for terms that shall be set by the Directors, whether from their own body or otherwise, as they think fit, and may prescribe their duties and fix their remuneration and dismiss them by a majority vote of the Directors. The vice-chair shall exercise the powers of the chair if the chair is absent.

### **116. Appointment of committees**

The Directors may delegate any of their powers to a Committee of Directors consisting of one or more Directors as they see fit; any Committee of Directors shall, in the exercise of the powers delegated, conform to these Rules and any regulations that may be imposed on them by the Directors.

### **Conflict of interest rules for directors and officers**

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

### **Indemnification of directors and officers**

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

## **PART 14 - FINANCES**

### **Borrowing powers**

**119.** The directors may, for the purposes of the Association, on behalf of the Association,

**119.1.** borrow or raise money in the manner and amount, from the sources, on terms and conditions, and

**119.2.** issue notes, bonds, debentures and other debt securities as the directors consider appropriate.

### **Investment powers**

**120.** Subject to any limitations adopted by the directors, and, if applicable, to Rule 121, the directors may invest the funds of the Association in the manner they consider appropriate.

**121. Limitations on investing**

**121.1.** The directors must not invest any of the funds of the Association over \$15,000 at any one time without the prior approval by special resolution of the members or unless the money is to be invested in a security or class of securities in which trustees are permitted to invest trust funds under the Trustee Act.

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

**122. Auditor**

**122.1.** Subject to and in accordance with the Act, the directors must appoint the first auditor and the Association must appoint subsequent auditors, if any.

**122.2.** The duties and rights of the auditor are governed by the Act.

**122.3.** The association may, by means of a special resolution at a general meeting, forego the appointment of an auditor for the upcoming fiscal year end. Such a resolution shall only be in effect for one year.

**Accounting records**

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

**Financial year**

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

**Use of surplus funds**

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

**124.1.** first, to the reserves required by Rule 125;

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

**124.3.** last, to grants or contributions to services and programs offered by the Association or by members of the association.

**Reserves**

**125.** 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.

**Application of reserves**

**126.** 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 15 - DISPUTE RESOLUTION**

**Disputes to be referred to arbitration committee of members**

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

**128. Commencement of arbitration proceedings**

**128.1.** An arbitration referred to in Rule 127 must be commenced in accordance with the Act.

**128.2.** If notice is provided to a director under subrule 128.1, that director must promptly provide the Association with a copy of the notice.

**Nomination of committee members**

**129.** Within 14 days of receipt of a notice referred to in Rule 128, the president of the Association and the other party must each nominate one member of the Association as a member of the arbitration committee, and the third member must be appointed by the 2 nominated members.

### **Failure to nominate committee**

**130.** If for any reason an arbitration committee has not been appointed within 6 weeks after the first member is nominated to the committee, on application by a party, the Supreme Court of British Columbia may appoint the members of the arbitration committee not appointed under Rule 129.

### **Consolidation of disputes**

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

**131.1.** the disputes are similar, and

**131.2.** all parties agree on the appointment of the arbitration committee and the steps to be taken to consolidate the disputes into the one arbitration.

### **132. Procedure**

**132.1.** 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.

**132.2.** 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.

**132.3.** The arbitration committee must hold a hearing as soon as possible at a location that is convenient to both parties.

**132.4.** The arbitration committee may determine whether the hearing is open to all members of the Association.

**132.5.** Each party to the dispute must attend the oral hearing, if any, and may be represented by another person including a lawyer.

**132.6.** If both parties agree, the hearing may consist of an exchange of written statements or any other procedure.

### **133. Examination and evidence**

**133.1.** A party to the dispute is a compellable witness at an oral hearing.

**133.2.** Witnesses at an oral hearing must

**133.2.1.** respond fully to questions asked by members of the arbitration committee, and

**133.2.2.** produce all relevant records that the arbitration committee may require.

**133.3.** Each party may present or rebut evidence and may examine or cross-examine witnesses at an oral hearing.

**133.4.** 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.

### **134. Decision must be in writing and signed by committee members**

**134.1.** 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.

**134.2.** The decision must be in writing and signed by each member of the arbitration committee.

**134.3.** Within 4 weeks of the date of the decision, the arbitration committee may vary a decision to correct a clerical or typographical error or omission, or a similar type of error or omission.

### **Costs of arbitration**

**135.** Parties to an arbitration must bear their own costs.

## **PART 16 - NOTICES**

### **Notice to directors, member shareholders and other persons**

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

- 136.1. delivered personally,
- 136.2. delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,
- 136.3. 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,
- 136.4. sent to the person by email to the person's last known email address, as recorded in the Association's register of members or other record of the Association
- 136.5. served in accordance with Rule 143 or 144.

**Notice to Association**

137. 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
- 137.1. delivered to the registered office of the Association,
  - 137.2. mailed to the registered office of the Association by prepaid mail,
  - 137.3. sent by email to an email address provided for that purpose
  - 137.4. sent by facsimile transmission to a telephone number provided for that purpose, or
  - 137.5. served in accordance with the Act.

**138. Deemed receipt**

- 138.1. A notice given in accordance with Rules 136.2 or 137.1 is deemed received when it is delivered.
- 138.2. A notice given in accordance with Rules 136.3 or 137.2 is deemed received on the second day, not including Saturday and holidays, after the date of mailing.
- 138.3. A notice given in accordance with Rules 136.4, 137.3 or 137.4 is deemed to be received at the time the notice is sent.

**Computation of time**

139. 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**

140. 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**

141. 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**

142. A person who, by operation of law, 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 17 - SERVICE OF DOCUMENTS**

**143. Service by the Association**

- 143.1. A notice or other document required by the Act to be served by the Association may be served by
  - 143.1.1. 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
  - 143.1.2. personal service.

**143.2.** A notice or other document served under subsection 143.1 is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

**Service on the Association**

**144.**Service on the Association must be in accordance with the Act.

**PART 18 - CORPORATE SEAL AND EXECUTION OF INSTRUMENTS**

**Use of corporate seal**

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

**Custody of seal**

**146.**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**

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

**147.1.** any 2 directors,

**147.2.** an officer and a director, or

**147.3.** one or more directors, officers or other persons as determined by resolution of the directors.

**Execution of documents where no seal**

**148.**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 147.

**PART 19 - RECORDS**

**Records of the Association**

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

**PART 20 - ALTERATION OF MEMORANDUM OR RULES**

**Alteration of memorandum or Rules**

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

..... Signature of subscriber	..... Signature of subscriber	..... Signature of subscriber	..... Signature of Witness
..... Name of subscriber (print)	..... Name of subscriber (print)	..... Name of subscriber (print)	..... Name of witness
Date ..... [month, day, year]	Date ..... [month, day, year]	Date ..... [month, day, year]	..... Address of witness