

Sunnyhill Housing Co-op By-laws

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Sunnyhill Housing Co-operative Ltd.

By-laws

1. General matters

1.1 Purpose

The Articles of Incorporation list the purpose(s) of Sunnyhill.

1.2 Objectives

The Articles of Incorporation list Sunnyhill's objectives.

1.3 Definitions

- a) "Board" means Sunnyhill's Board of Directors
- b) "Clear calendar days" requires counting each calendar day starting the day after the notice is given and not including the day of the required deadline. (Example: Meeting date is March 15. Sunnyhill is required to give 10 clear calendar days' notice. Notice must be given on March 4th or earlier.)
- c) The "Economic Housing Charge" for a unit is the Housing Charge for that unit's size as determined by the co-op's budget and is decided by the Members by Special Resolution.
- d) The "Housing Charge" is the amount of money collected from a unit each month. The amount of this charge is determined by application of the Housing Charge Calculation and Collection Policy. It is payable each month as described in the by-laws and policies.
- e) "Housing Right" means the right of a Member to occupy and use a housing unit as described in the by-laws and policies. This right is a Shareholder's right and cannot be considered to mean the relationship of landlord and tenant.
- f) "Housing unit" or "assigned housing unit" means the dwelling owned by Sunnyhill and occupied by a Member or Members, and their immediate family. Assigned parking and yard areas are considered to be part of the housing unit.

- g) “Immediate family” includes spouse/common-law spouse/same-sex partner, brother, sister, child, parent, grandparent or grandchild of a Member.
- h) “Income and residency survey” means a statement of annual household income and a survey of residents occupying a unit; certified to be true, complete and accurate by a Member of Sunnyhill who is a Member of the household.
- i) “Meeting” means annual meeting, general meeting or special general meeting.
- j) “Member” means a person who has met the conditions of Membership as noted in these by-laws, and has been accepted as a Member by the Board and is a “Shareholder.”
- k) “Member in good standing” means paying the proper housing charge on time and respecting and carrying out the duties of Members as described in the by-laws, policies or other agreements with Sunnyhill. A Member can be deemed to be a Member not in good standing only by Board resolution.
- l) “Ordinary Resolution” means a resolution that is submitted to a meeting of the Co-operative or meeting of the Directors and passed at the meeting by a majority of votes cast.
- m) “Partner” includes spouse, common-law spouse, same-sex partner.
- n) “Policy” means a policy that is created as described in the by-laws.
- o) “Share” means a Membership share in the capital of Sunnyhill Housing Co-operative. There is no special right in owning a greater number of shares than another Member.
- p) “Shareholder’s Agreement” means the contract between Sunnyhill and the Member which describes the housing right and responsibilities of the Member and Sunnyhill.
- q) “Special Resolution” means a resolution that is submitted to a meeting of the Co-operative or a meeting of the Directors and passed at the meeting by at least 2/3 of the votes cast.
- r) “Sunnyhill”, “Sunnyhill Co-op”, “The Co-op”, and “SHC” mean Sunnyhill Housing Co-operative Ltd.

2. Corporate Seal

2.1 Design

The Board approves the design of the corporate seal.

2.2 Authorized use of seal

The Board authorizes use of the corporate seal by ordinary resolution of the Board.

3. Capital structure

3.1 Value of shares

a) The capital consists of an unlimited number of Membership shares with a value of \$1.00 each. No interest will be paid on shares.

b) Shares may be indexed as described in the share indexing policy. They will be issued at prices decided by Special Resolution at a general meeting.

3.2 No Investment Shares

Sunnyhill will not issue investment shares.

3.3 Number of Shares

The Members decide the number of shares to be maintained in a fully paid share account. This decision is made by Special Resolution. The minimum number of shares is one.

3.4 Payment of Shares

a) Shares must be purchased by the Member by cheque, money order or draft.

b) Payment must be received at Sunnyhill's office seven (7) clear calendar days before the Member receives keys to a housing unit or takes occupancy. In the event this presents a financial difficulty for prospective Members, the Board may decide to allow the payment to be made in installments. At least 50% of the payment must be received before the Member receives keys and the rest of the payment must be received no later than six (6) months after taking occupancy. The Board makes this decision by ordinary resolution.

3.5 Record of Shares

Sunnyhill keeps appropriate books of record in which are entered the names of the persons owning shares, the number of shares, the date of issue and the date of any cancellation.

3.6 Charge on Shares

Sunnyhill has a charge on the shares of a Member. It also has a charge on any amount owing to the Member or their legal representative. The charge is for any Member debt due to Sunnyhill. Sunnyhill can apply the amount of the charge towards payment of the debt, including legal costs.

4. Membership

4.1 Eligibility

Membership is open to all persons:

- Who are age 18 or over
- Who agree with the aims and purposes of Sunnyhill
- Who can meet the financial obligations
- Who meet the requirements of the best usage of space policy
- Regardless of their race, national or ethnic origin, colour, religion, age, sex, marital status, sexual orientation, conviction for which pardon has been granted or the fact that children form part of the family.

4.2 Application process

Individuals must apply for Membership as described in the Member Selection Policy.

4.3 Membership approval

- a) The Board approves Membership. A meeting of the Members is not required.
- b) An individual becomes a Member of Sunnyhill once approved by the Board, all required documentation has been signed, and all fees have been paid in full. Also, share requirements will have been paid in full or other arrangement have been made.

4.4 Refusal of Membership

The Board can refuse Membership when it decides this is in the best interest of Sunnyhill. The Board will not provide any applicant with the reason for refusal of Membership.

4.5 Appeal of Membership refusal

Applicants cannot appeal the decision of the Board, but they can re-apply as described in the Member Selection Policy.

4.6 Obligations of Member

To keep Membership at Sunnyhill, a Member must:

- a) Support Sunnyhill's objectives
- b) Comply with Sunnyhill's Articles of Incorporation, By-laws, Shareholders Agreement and Policies, in that order of priority
- c) Participate in decision-making in the best interest of Sunnyhill

- d) Ensure that the assigned housing unit is for the use of the Member and their immediate family only. Any sublets of the assigned housing unit must be carried out in accordance with the sublet rules outlined in the Member Selection Policy
- e) Get along peacefully with other Members of Sunnyhill and the outer community
- f) Meet the financial obligations to Sunnyhill by:
 - i. Making prompt payment of housing charges plus other charges as decided by the Board or a general meeting
 - ii. Maintaining a fully paid share account. This is a continuing requirement of Membership. The Board can decide to terminate the Membership and occupancy rights of Members who do not comply
- g) Provide a complete income and residency survey to Sunnyhill when requested by the Board. The request must be in writing. The information must be provided promptly. It must be current, complete and accurate. This is a continuing requirement of Membership. The Board can decide to terminate the Membership and occupancy right of a Member who does not comply

5. Disputes

5.1 Disputes

- a) Any dispute that occurs between Members or between Members and the Board will be handled as described in the Members' concerns policy
- b) Any dispute that occurs between staff and Members or between staff and the Board will be handled as described in the personnel policy
- c) If a dispute is not resolved to the satisfaction of all parties to the dispute, mediation services will be arranged on the discretion of the Board. These services will be arranged with a competent outside agency which can include:
 - i. SACHA (The Southern Alberta Co-operative Housing Association which is a federation of housing co-operatives)
 - ii. Another housing co-operative
 - Or
 - iii. A community agency that has expertise in conflict management procedures
- d) Failure to comply with an agreement that is made to resolve a dispute can result in termination of Membership and occupancy rights as described in section 9 of these by-laws

6. Transfer of Membership

6.1 No Transfer of Membership

Membership in Sunnyhill cannot be transferred to another person.

7. Withdrawal of Membership

7.1 Notice

- a) The Member(s) can give up their Membership and move out of their assigned housing unit
- b) The Member(s) must give written notice to Sunnyhill's office
- c) If there is more than one Member in a unit and they are all giving up their Membership at the same time, the notice must be signed by all Members of the housing unit
- d) Notice to move out is due on the last day of the month – 2 full months before the intended move out. The Member(s) will be responsible for paying the proper housing charge for these two months

Example:

Move out day December 31 = Move out notice October 31 (November and December housing charge to be paid)

Move out day March 31 = Move out notice January 31 (February and March housing charge to be paid)

- e) If the Member(s) move(s) out any time during the month other than the last day, the Co-op still requires two complete calendar months' notice, the same as if they were moving out on the last day of the month. The Member(s) will be responsible for paying the proper housing charge for these two months

Example:

Move out day December 3 = Move out notice October 31 (November and December housing charge to be paid)

Move out day June 19 = Move out notice April 30 (May and June housing charge to be paid)

- f) If there is more than one Member in a unit and one or more Members are retaining their Membership and remaining in the unit, while one or more Members are giving up their Membership and leaving the unit, the Members of that unit must give written notice to Sunnyhill's office. The notice must contain the name(s) of remaining Member(s), the name(s) of Member(s) withdrawing and a request of those Member(s)' name(s) being removed from the Shareholder's Agreement. Any financial settlement regarding the shares is a private matter amongst the Members of that unit and does not involve Sunnyhill

7.2 Membership and occupancy rights cannot be separated

- a) The Member cannot give up Membership without also moving out of their assigned housing unit
- b) The Member cannot move out of their assigned housing unit without also giving up their Membership

8. Death of a Member

8.1 Co-member(s)

When there is more than one Member in a unit and one Member dies, the remaining Member(s) retain Membership and occupancy rights to their assigned housing unit.

8.2 Nomination of Member of immediate family

- a) If there is only one Member living in a housing unit and they die, a person in their immediate family can be considered for Membership provided that this person (the “Nominee”) is residing in the housing unit when the member dies. A nominee must meet the Membership requirements before they can become a Member
- b) The decision to accept a Nominee for Membership in Sunnyhill is made by the Board by ordinary resolution
- c) Sunnyhill will make any legal payments to the estate of the deceased Member if no other Member lives in the housing unit and there is no eligible Nominee

9. Termination of Membership

9.1 Termination without appeal

- a) Membership and occupancy rights can be terminated by the Board with no appeal for:
 - i. Failing to pay housing charges or other monies due to the Co-operative in respect of a self-contained housing unit
 - ii. Vandalizing or destroying property belonging to the Co-operative
 - iii. Using the housing unit for activities contrary to law
 - iv. Threatening the safety of Members of the Co-operative
 - v. Being a physical danger to the Members of the Co-operative or other residents, or
 - vi. Contravening a by-law regulating the sub-letting of a self-contained housing unit to a non-member
- b) The Board must give the Member at least three (3) clear calendar days’ written notice of the Board meeting that will consider a resolution to terminate Membership and occupancy rights
- c) The notice must contain:
 - i. The motion to be considered at the meeting
 - ii. A statement of the grounds for termination, and
 - iii. A statement that there is no right of appeal from the decision
- d) The Member can attend the meeting. They can appear personally or by agent or counsel to present their opinion
- e) The Board will vote only after the Member and their agent or counsel has left the meeting. The vote will be by ballot

- f) A Board resolution to terminate Membership and occupancy rights must be passed by a vote of at least $\frac{3}{4}$ of the directors at the meeting. A majority of Directors must be present
- g) If the Board resolution is defeated, the Board will advise the Member of the decision in writing. This will be delivered to the Member's housing unit within seven (7) clear calendar days of the Board's decision
- h) Sunnyhill must give the Member 14 clear calendar days' written notice for termination of Membership and occupancy rights for items noted in section 9.1 a). This notice must be given within seven (7) clear calendar days of the Board's decision
- i) Once notice has been delivered to the Member it cannot be withdrawn

9.2 Termination with appeal

- a) In addition to the reasons listed in 9.1 a), Membership and occupancy rights can be terminated by the Board for failure to comply with the by-laws, shareholders' agreement and/or policies, in the order listed
- b) The Board must give the Member 14 clear calendar days' written notice of the Board meeting that will consider a resolution to terminate Membership and occupancy rights
- c) This notice must contain:
 - i. The motion to be considered at the meeting
 - ii. A statement of the grounds for termination
 - iii. A statement that the Member has the right to appeal as described in the appeals procedures. A copy of the appeals procedure must be attached to the notice
- d) The Member can attend the meeting. They can appear personally or by agent or counsel to present their opinion
- e) The Board will vote only after the Member and their agent or counsel has left the meeting. The vote will be by ballot
- f) A Board resolution to terminate Membership and occupancy rights must be passed by a vote of at least $\frac{3}{4}$ of the Directors at the meeting. A majority of Directors must be present
- g) If the Board resolution is defeated, the Board will advise the Member of the decision in writing. This will be delivered to the Member's housing unit within seven (7) clear calendar days of the Board's decision
- h) If the resolution is passed, the Board must give the Member 30 clear calendar days' written notice of termination of Membership and occupancy rights. This notice must be given within seven (7) clear calendar days of the Board's decision
- i) The Board will also advise the Member that, if they wish to appeal the notice to a general meeting, they must submit a request in writing to the Sunnyhill office within seven (7) clear calendar days of the date of notice

- j) If the Member does appeal, the appeals procedure will be followed. No further action will occur until the procedures are complete

9.3 Appeals Procedure

- a) A Member whose Membership is terminated by a resolution of the Directors under section 9.2 may appeal the decision by filing a notice of appeal with the Co-operative within seven (7) days of the receipt of the given notice
- b) An appeal must be heard at the next special general meeting of Sunnyhill
- c) After hearing the appeal, the Members of Sunnyhill may by ordinary resolution confirm or reject the termination of the Membership of the Member
- d) The decision of the general meeting is made by ordinary resolution and by ballot
- e) The decision of the general meeting is final
- f) If the special general meeting confirms the decision to terminate Membership and occupancy rights, Sunnyhill must give the Member at least 30 clear calendar days' written notice of the termination. This notice must be given within seven (7) clear calendar days of the decision of the general meeting. A copy of the move-out policy will be attached to the notice
- g) Once notice of termination has been delivered to the Member, it cannot be withdrawn
- h) If the general meeting repeals the decision to terminate Membership and occupancy right, the Member(s) retains Membership at Sunnyhill

9.4 Compensation and arrears

- a) Sunnyhill is entitled to compensation for the following:
 - i. Occupation of a Member unit by a Member after the Membership of that Member has been terminated in accordance with termination procedures as outlined in the by-laws
 - ii. Unpaid housing charges and unpaid utilities
 - iii. Damage to the Member's unit
 - iv. Costs associated with obtaining vacant possession of the housing unit, including legal costs
- b) If Sunnyhill has accepted compensation under subsection (a), the acceptance does not operate as a waiver of any right of the Co-operative to terminate the Membership of a Member or to take possession of the Member's unit

9.5 Writ of Possession

- a) Unless the housing unit is vacant on the day stated in the notice of termination, Sunnyhill must obtain a writ of possession in order to regain possession
- b) Sunnyhill must apply for the writ of possession as described in the relevant section of the Co-operatives Act

9.6 Removal of name from share register

The Board must remove the name of any Member from the share register when they move out of their assigned housing unit, either voluntarily or by termination of Membership.

10. Share re-purchase

10.1 Payment to be made within twelve calendar months

The Board will purchase all shares of the out-going member. Any amount that the Member owes to Sunnyhill will be subtracted. The balance will be paid within 12 calendar months after the Member moves out. If there are no disputes over repayment, the Co-op will make this payment within 30 clear calendar days after the Member moves out. The payment will be made jointly to all shareholders of the housing unit.

11. Meetings

11.1 Annual General Meeting

Sunnyhill must hold its annual general meeting within six months after the end of the preceding financial year or fifteen months after the preceding annual general meeting, whichever is earlier. The Board decides the time and place of the meeting.

11.2 Call for submission of proposals

Calls for submission of proposals will be conducted according to provincial regulations.

11.3 Special general meeting called by the Board

- a) The Board can call a special general meeting at any time. This meeting can be called by an ordinary resolution at a Board meeting
- b) The Board must call at least two (2) general meetings in addition to the annual general meeting during every fiscal year

11.4 Requisition for a general meeting

- a) The Board must call a special general meeting when requisitioned by any 10 or more Member households unless:
 - a. The directors have already called a meeting and given notice of it, or
 - b. The business of the meeting as stated in the requisition would be the same as if it were a proposal
- b) The requisition
 - a. Must be in writing and include the unit numbers and the printed names and also signatures of all requisitioning Members
 - b. Must state the business to be handled at the meeting and must be sent to each director and to the office of Sunnyhill

- c. May consist of several documents of similar form, each signed by one or more Members who are entitled to vote at the meeting
- c) The Board does not need to call this meeting if:
 - a. The proposal is received after the deadline for submissions
 - b. The proposal is about the Member's personal claim or grievance
 - c. A Member submitted the same proposal during the last two (2) years, but did not attend the meeting to present it
 - d. Much the same proposal was defeated at the meeting held during the past two (2) years
 - e. The Member is putting the proposal forward in order to seek publicity, or
 - f. The proposal deals with a matter that is not within the power of the Members to deal with

11.5 Special general meeting called by Members

The Board is required to call a special general meeting within 21 clear calendar days after receiving a requisition. If the notice is not given within that time, any membership shareholder from one or more Member households that signed the requisition can call the meeting as described in the Notice of Meetings section.

11.6 Notice of meetings

- a) The Board or Member households calling a meeting must give each member at least 10 clear calendar days' notice of every annual or special general meeting
- b) The notice must
 - a. Be in writing
 - b. Be addressed to all Members in the household and include the housing unit number
 - c. Be delivered to each Member household
 - d. State the meeting time, date and place
- c) A meeting agenda must either be delivered with the notice of meeting or be delivered at least 10 clear calendar days before the meeting. The Agenda must include
 - a. Background information in sufficient detail, if necessary, to permit the Member to form a reasoned judgement about the issue
 - b. The text of any resolution to be discussed at the meeting
- d) Notice of every general meeting must be posted at the registered office

11.7 Defects in notice

Sunnyhill can hold a meeting and make valid decisions even if the Board or Member households calling the meeting accidentally give defective notice or any Member does not receive notice.

11.8 Quorum

- a) The quorum for any general meeting is 12 Member households
- b) The meeting will be dissolved, if within one hour after the time appointed for a meeting quorum is not present
- c) If quorum is present at the opening of the meeting, the business of the meeting can continue even if quorum is not present later in the meeting

11.9 Voting

- a) Any Member in good standing can register to vote at any general meeting
- b) Each Member household is entitled to one vote at any general meeting. If more than one eligible Member from a Member household is present at a meeting, any one of those Members can register to cast the votes. They will decide which one will vote at the meeting. If they cannot agree, they must all abstain

11.10 Voting method

Voting Members at a general meeting make decisions by a show of hands unless:

- a) Sunnyhill's by-laws or policies state otherwise, or
- b) One Member who is present requests a ballot and the request is supported by at least one other Member
- c) There can be no proxy voting

11.11 Discretion of meeting

The meeting can give voice but not votes to people other than voting Members.

11.12 Meeting facilitator's vote

The meeting facilitator, if a voting Member, can vote on all matters but can vote only before the counting of hands or ballots. The meeting facilitator has no extra vote if there is a tie

11.13 Tie vote

If a vote is tied, the motion is defeated.

11.14 Abstentions

Abstentions are neutral. They are not counted to determine the decision of Members. Any Member can ask to have their abstention noted in the minutes of the meeting.

11.15 Rules of procedure

Sunnyhill conducts general meetings by rules of procedure adopted at a general meeting. The meeting facilitator interprets the rules. Any Member present can appeal a ruling to the meeting. The decision of the meeting is final.

11.16 Declaration of conflict of interest

Any Member who recognizes that they have a conflict of interest must declare this to the meeting before any decisions or voting takes place. Any Member can ask another Member to clarify a perceived conflict of interest.

12. Board of Directors

12.1 Number of Directors

The Board will consist of a minimum of five (5) directors and a maximum of nine (9) directors. The exact number will be decided by ordinary resolution only at the annual general meeting where elections are held and this vote must take place before these elections. This number will be valid until the next elections held at the next annual general meeting.

12.2 Terms of office

- a) A Director normally serves a two-year term
- b) The successor's election takes place at a general meeting, subject to sections 12.10 and 12.11
- c) The retiring Director's term ends at the start of the first Board meeting after that general meeting
- d) The Board must hold its first post-election meeting within 14 clear calendar days after the election. This is an organizational meeting and retiring Directors are expected to attend to advise the new Directors

12.3 Duties of Directors

Every Director and Officer must, in exercising the powers and performing the duties of office,

- a) Act honestly and in good faith with a view to the best interest of the Co-operative
- b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances
- c) Comply with the Co-operatives Act, the regulations, the articles, the by-laws and policies

12.4 Eligibility

- a) Any Member in good standing can serve as a Director. Only one registered shareholder from any Member household can serve at a time
- b) A Member who is party to a contract for profit with Sunnyhill can be a Director only with the approval of a general meeting. The decision will be made by ordinary resolution

12.5 Disqualification of Directors and vacating the office of Director

A person is disqualified from becoming or continuing as a Director if that person

- a) Is not an individual
- b) Is under 18 years of age
- c) Is an individual who:
 - a. Is a represented adult as defined in the Adult Guardianship and Trusteeship Act or is the subject of a certificate of incapacity that is in effect under the Public Trustee Act
 - b. Is a formal patient as defined in the Mental Health Act
 - c. Is the subject of an order under the Mentally Incapacitated Persons Act (RSA 1970 c232)
 - d. Has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- d) Has the status of bankrupt

Additionally, a Director ceases to hold office;

- a) When a Director dies
- b) When a Director resigns in writing
- c) When a Director is removed from office
- d) When a Director becomes disqualified
- e) When a Director misses three (3) consecutive regular board meetings, unless the reason for absence are acceptable to the other Directors and are recorded in the Board minutes
- f) When a Director is in arrears as described in the arrears policy
- g) When a Director is not bondable
- h) When a Director ceases to be a shareholder of Sunnyhill
- i) When a Director ceases to reside in their assigned housing unit
- j) When a Director is not a Member in good standing
- k) Upon the date that a Director gives notice to Sunnyhill of their intention to vacate their housing unit
- l) When a Director is convicted of an indictable offence

12.6 Elections

- a) Any Member at a meeting where elections take place can make nominations
- b) Members in good standing can nominate themselves
- c) A nominee who is present at the meeting can accept the nominations by voice
- d) Any nominee who cannot attend the meeting can accept nomination by stating this in writing. This written statement must be given to Sunnyhill's secretary before the start of the meeting
- e) Subject to section 12.10, elections normally happen at the annual general meeting

12.7 Selection of scrutineers

- a) From those present at the meeting, voting Members will appoint three (3) scrutineers to collect and count the ballots and declare the election results
- b) A scrutineer cannot be a nominee
- c) A scrutineer cannot reside in the same home as a nominee
- d) Scrutineers must be selected after nominations are closed and before ballots are marked

12.8 Method of voting

Voting is by ballot

12.9 Number of names on a ballot

Voting Members can mark their ballots with a number of names equal to or less than the number of positions available. If a ballot has more than the maximum allowable number of names marked, the ballot is spoiled.

12.10 Vacancies

- a) Vacancies occur when there are fewer Directors serving on the Board of Directors than the number determined at the previous annual general meeting where elections were held
- b) If there is a vacancy on the Board and there is still quorum on the Board, the remaining Directors may
 - a. Continue to fulfil their functions without filling the vacancy, or
 - b. Subject to subsection 12.10.c), appoint a Director to fill the vacancy
- c) The Board can appoint qualified Members to fill up to two vacancies. These appointments are effective until the next general meeting. At that meeting, through elections, the Member will fill the vacant position
- d) If any additional vacancies occur, the Board can call a special general meeting within 30 clear calendar days of the effective date of the vacancy. Through an election at that meeting, the Members will fill the remaining terms of all vacant positions, including any that the Board temporarily filled by appointment
- e) The vacancies can instead be filled at the annual general meeting if the special general meeting would be held within 30 clear calendar days before the annual general meeting
- f) If the Directors holding office no longer constitute a quorum, the remaining Directors must, without delay, call a special meeting of the persons who are entitled to vote to fill the vacancy, and if they fail to do so, any Member who is entitled to vote at a meeting of the Co-operative may call the meeting

12.11 Length of remaining term

A Director who is elected or appointed to fill a vacancy holds office for the unexpired term of the Director's predecessor in office. The Member with the most votes is declared elected to the position having the longest term; those with fewer votes are, in descending order, declared elected to the shorter terms.

12.12 Tie vote

If there is a tie vote, a second ballot will decide who serves the longer term.

12.13 Resignation

A Director must submit their resignation in writing to Sunnyhill's office. The resignation of a Director becomes effective on the later of

- a) The day a written letter of resignation is received by the Co-operative, or
- b) The date specified in the letter of resignation

12.14 Removal of Directors

- a) Any or all Directors can be removed by special resolution at a general meeting. At the general meeting, the Members must elect replacement Directors to hold office for the remaining terms of the removed Director(s)
- b) If all Directors are removed, the new Board must meet within 14 clear calendar days of their election

12.15 Notice of Change

Within 15 clear calendar days after a change of its Directors, the Co-operative must send the Provincial Director of Co-operatives a notice setting out the change in the form set by the Director.

13. Officers

13.1 Titles

- a) The Officers of Sunnyhill are the chair, vice-chair, secretary and treasurer
- b) The Board can appoint other Officers. If an Officer is not a Board member, they will have voice but not a vote at Board meetings

13.2 Duties

Job descriptions approved by the Board describe Officers' duties.

14. Payment of Directors and Officers

14.1 No salaries

Directors and Officers serve without payment.

14.2 Expenses

The Board can approve payment of Directors' and Officers' expenses.

15. Board Meetings

15.1 Schedule of first meeting

The new Board must meet within 14 clear calendar days of the annual general meeting. The retiring Directors are expected to attend this meeting to advise the new Directors. The new Board must do the following business at the first meeting:

- a) Elect from among themselves a chair, vice-chair, secretary and treasurer as described in the section 16.1 of these by-laws
- b) Set regular meetings times and dates for the year. This is decided by ordinary resolution of the Board

15.2 Regular meetings

The Board must hold at least seven (7) regular meetings a year. Once the Board has passed a resolution setting regular meeting times, places and dates, the Board can hold those regular meetings without further notice.

15.3 Special meetings

- a) The Board can hold a special meeting of the Board if 80% of the Directors consent and are present
- b) The Chair or any Director can call a special meeting
- c) At the next regular Board meeting, the Board must ratify any decisions made at a special meeting

15.4 Quorum

- a) The quorum for all Board meetings is the majority of Directors
- b) The meeting will be cancelled, if within one hour after the time appointed for a meeting quorum is not present
- c) If quorum is present at the opening of the meeting, the business of the meeting can continue even if quorum is not present later in the meeting

15.5 Ordinary resolution

Directors make decisions by ordinary resolution.

15.6 Manner of voting

- a) Directors normally vote by show of hands.
- b) Voting will be by ballot if requested by one Director and supported by at least one other Director
- c) The vote must be recorded when two (2) or more Directors request it
- d) Any Director can request that their votes be recorded in the minutes
- e) Directors must elect officers by ballot

f) No Director can vote by proxy

15.7 Meeting facilitator's vote

The meeting facilitator, if a Director, can vote on all matters but can vote only before the counting of hands of ballots. The meeting facilitator has no extra vote if there is a tie.

15.8 Tie vote

If a vote is tied, the motion is defeated.

15.9 Abstentions

Abstentions are neutral. They are not counted to determine the decision of the Board. Any Director can ask to have their abstention noted in the minutes of the meeting.

15.10 Rules of procedure

The Board conducts its meeting by rules of procedure adopted by ordinary resolution of the Board. The meeting facilitator interprets the rules. Any Director can appeal a ruling to the meeting. The decision of the meeting is final.

15.11 Board decisions outside of regular Board meetings

- a) Decisions can be made outside of Board meetings only when a Board decision is required before a regular Board meeting will be held. Every attempt will be made to contact all Directors. These decisions must be ratified at the next regular Board meeting
- b) A resolution in writing, signed by a majority of Directors without a meeting, is as valid as a resolution passed or defeated at a meeting
- c) A poll by telephone or e-mail, resulting in agreement a majority of Directors without meeting, is as valid as a resolution passed or defeated at a meeting
- d) Directors can meet by means of a telephonic, electronic or other communication facility if it permits all persons participating in the meeting to communicate adequately with each other during the meeting. Agreement by a majority of Directors is a valid as a resolution passed or defeated at a regular Board meeting
- e) These decisions must be ratified at the next regular Board meeting

15.12 Irregular appointment and validity and decisions

Any decision made by the Board is valid, even if it is later discovered that a Director was not eligible or qualified to hold office or was appointed in error.

15.13 Defects in notice

The Board can hold a meeting and make valid decisions even if there is an accidental defect in the notice or any Director does not receive notice.

15.14 Directors doing business with Sunnyhill

Sunnyhill cannot disqualify Directors from doing business with Sunnyhill simply because they are Directors. The Members decide how to handle the matter by ordinary resolution at a general meeting.

15.15 Votes involving Directors or household Members

A Director must not vote on any item through which a Director or any Member of the Director's household will benefit financially.

15.16 Declaration of conflict of interest

A Director who has a conflict of interest must declare this to the Board. Any Director can ask another Director to clarify a perceived conflict of interest.

15.17 Discussion and vote in Director's absence

A Director who has a conflict of interest on an issue must leave the room during the discussion and the vote on the issue. It must be recorded in the minutes that the Director in the conflict position abstained from the vote.

16. Officers

16.1 Election

- a) At its first meeting after the annual general meeting where elections are held, the Board must elect a chair, vice-chair, secretary and treasurer from its Members
- b) Any election of Officers will be by ballot
- c) The Board can appoint other Officers. If an Officer is not a Board member, they will have voice but not a vote at Board meetings

16.2 Terms of office

The term of office for all Officers of the Board will be from the time of appointment until the first meeting of the Board following the next annual general meeting unless otherwise decided by the Board.

16.3 Vacancies

- a) Any vacancies in the positions of officer will be filled by the Board
- b) If the position of chair becomes vacant, the Board can elect the vice-chair or any other Director to fill the vacancy

16.4 Removal of Officers

The Board can remove any Officer for any reason. The decision is made by ordinary resolution. The Officer is entitled to written notice of the meeting and the opportunity to be heard at the meeting. This notice must be given at least 10 clear calendar days before the meeting.

17. Liability of directors and officers

17.1 Requirements for no liability

- a) Sunnyhill will carry Directors' liability insurance
- b) If a court decides that any Director or Officer is personally responsible for any legal costs, Sunnyhill will provide compensation as described in the Directors' liability insurance policy
- c) Compensation will be provided only if the Director or Officer has:
 - a. Performed their duties in Sunnyhill's best interests
 - b. Obeyed the Co-operative Act and all other laws
 - c. This also applies to the heirs, and personal and legal representatives of the Director or Officer

17.2 Duties of Directors

Duties are set out in the job description approved by ordinary resolution at a general meeting.

18. Committees and Task Forces

18.1 Committees or task forces established by general membership

A committee or task force is established by ordinary resolution at a general meeting. The Board will work with the group to define the duties based on the directives of the Membership. Duties are set out in job descriptions approved by the Board.

18.2 Executive Committee

There will be no executive committee. Board decisions can be made only by the Board as a whole.

18.3 Accountability

All committees and task forces are accountable to the Members through the Board.

18.4 Approval of commitments

- a) Committees and task forces are authorized to spend money only as set out by the annual budget that has been approved by Members by ordinary resolution at a general meeting
- b) Only the Board can enter into contracts or commit Sunnyhill to any action. The Board makes these decisions by ordinary resolution

18.5 Policy recommendations

Committees and task forces can recommend policies but cannot approve or amend policies.

19. Records

19.1 Records kept at the office

Sunnyhill must keep all original records, including those required under the Co-operatives Act, at its office.

19.2 Inspection of books

Sunnyhill must make financial reports and business records available for Members' inspection at Sunnyhill's office. Arrangements are to be made with Sunnyhill's office staff for a mutually convenient time.

19.3 Member's consent to inspection

- a) Sunnyhill will make any Member's financial and Member records available to that Member at Sunnyhill's office. Arrangements are to be made with Sunnyhill's office staff for a mutually convenient time
- b) Sunnyhill will make any Member's financial and Member records available to the Board at a Board meeting. This information will only be brought forward when it is needed by the Board in order to conduct business
- c) The Canadian Mortgage and Housing Corporation as represented by "The Agency" and the auditor for Sunnyhill can access all records
- d) Sunnyhill will not allow anyone else access to Member records unless the Member gives written permission

20. Financial Management

20.1 Financial year

Sunnyhill's financial year begins January 1 and ends December 31.

20.2 Books and accounts

Sunnyhill keeps books and accounts under the treasurer's direction, and uses the standard system of accounts, that reflects appropriate co-operative housing practices.

20.3 Auditing and annual financial statement

- a) At the close of each financial year, Sunnyhill must have its books and records audited by a chartered accountant
- b) This auditor is appointed at a general meeting, usually the annual general meeting
- c) The audited financial statements are approved by ordinary resolution of the Board
- d) The Board-approved, signed, and audited financial statements must be included in the annual general notice package
- e) Sunnyhill must provide Members with a financial statement based on the auditor's report. The annual financial statement must include at least:
 - a. A balance sheet

- b. A statement of retained earnings
- c. An income statement
- d. A statement of changes in financial position
- f) The audited financial statement is presented verbally at the annual general meeting

20.4 Board changes to budget allocations

If the Board wishes to change Member-approved budget allocations over the amount of \$3000 in any financial year, a special resolution must be presented to a Members' meeting. In case of unforeseen emergencies, acting in the best interest of Sunnyhill, the Board may spend amounts previously not approved by the annual budget without the approval of Membership.

21. Housing Charge

21.1 Consultation with committees and staff

The Board must consult with all committees and staff to estimate the sum required to meet Sunnyhill's annual expenses.

21.2 Board proposes budget for consideration by Members

- a) The Board estimates the amount of the economic housing charge required to meet the expenses and submits a proposed budget for consideration at a general meeting
- b) The Board can present options for consideration at the general meeting

21.3 Members set housing charge

The Members approve a budget and decide the amount of the economic housing charge by ordinary resolution.

21.4 Board required to give written notice

The Board must give the Members 60 clear calendar days' written notice of any change in the housing charge. If individual member(s) circumstances change and it would affect the amount of their housing charge, the housing charge might be re-calculated, as outlined in the Housing Charge Policy. A 60 clear calendar days' written notice is not necessary under those circumstances.

22. Reserve, Surplus and Deficit

22.1 Reserve funds

The Board must have reserve funds for depreciation, bad debts and future expenses as dictated by good co-operative business practices.

22.2 Report on surplus or deficit and Members' resolution

The Board must provide a written report to the Members regarding any surplus or deficit that occurs in a fiscal year. Members decide how to handle the matter by ordinary resolution at a general meeting.

22.3 Promotion of objectives with surplus

Sunnyhill can use any surplus to promote its objectives.

23. Banking

23.1 Preference to Co-operative institutions

All of Sunnyhill's funds and securities are deposited in a credit union or other financial institution as decided by the Board. Wherever possible, preference is given to co-operative institutions.

24. Borrowing

24.1 Borrowing power under special resolution

Sunnyhill can, by special resolution at a General Meeting:

- a) Borrow money on its credit
- b) Issue, sell or pledge its securities
- c) Use its property as security for a loan, with the exception of the land which is leased from The City of Calgary

24.2 Obligations to Canada Mortgage and Housing Corporation and The City of Calgary

Sunnyhill complies with contractual obligations to Canada Mortgage and Housing Corporation plus The City of Calgary.

24.3 No impairment of further borrowing powers

The above does not replace or impair any further powers Sunnyhill has to borrow.

25. Signing Officers

25.1 Signing officers

- a) The signing officers are the chair, vice-chair, secretary and treasurer
- b) Cheques will be signed by any two (2) of the signing officers. Whenever feasible, the treasurer will be one of the people to sign cheques

26. Bonding

26.1 Bonding of Directors and employees

The Board selects a security company to bond any director or employee who handles Sunnyhill's money or securities.

27. Amendment of By-laws

27.1 Special resolution

Sunnyhill can amend these by-laws by special resolution at a general meeting.

27.2 Approved and filing

- a) By-laws can be made, amended or repealed only by special resolution at a general meeting of Sunnyhill
- b) A by-law or amendment to a by-law becomes effective on the day on which the by-law or amendment is made
- c) Sunnyhill must file a by-law or an amendment to a by-law with the Provincial Director of Co-operatives within 60 days of the date the by-law or amendment comes into force

28. Policies

28.1 Major policies

- a) These policies can only be passed, amended or rescinded at a general meeting by special resolution
- b) The Members decide what aspects of co-op living will be covered by major policies. Matters to be addressed by major policies include aspects such as arrears, maintenance, pets and parking. Other aspects can be decided by the Members. All identified aspects will be designated as major policies by ordinary resolution at a general meeting
- c) Major policies must be reviewed and ratified at least every two (2) years

28.2 Other policies

The Board can pass any policy that is not designated as a major policy.

29. Priority

29.1 Documents cannot conflict with each other

Sunnyhill's documents cannot conflict with each other. If there is a conflict, the order of priority will be:

- a) Articles of Incorporation

- b) By-laws
- c) Shareholders' Agreement
- d) Policies

All of these will be binding on the Members, board and committees.

30. Relationship

30.1 Provision of housing

Sunnyhill provides Members with housing in accordance with the Member documents as listed in section 29.1.

30.2 Member's right to quiet use and enjoyment

The Member has the right

- a) To quiet use and enjoyment of their assigned unit
- b) To use community property and facilities as described in Sunnyhill's by-laws and policies

30.3 Participation

The Member has the right and obligation to participate in the operations, management and decision-making process of Sunnyhill.

30.4 Relationship is governed by terms of Member documents

The rights the Member has to housing are created by the Member's status as a Shareholder. The relationship between Sunnyhill and the Member is governed by the terms of these by-laws, the shareholders' agreement and the policies.

30.5 Relationship is not one of landlord and tenant

It is the intention of Sunnyhill and its Members that their relationship is not one of landlord and tenant. The Shareholders' Agreement is not a lease. No part of the Residential Tenancies Act or any succeeding legislation is intended to apply to the relationship of Sunnyhill and its Members.

31. Dissolution of Sunnyhill

31.1 Unanimity required

A motion to dissolve is effective only if Members from 100% of Sunnyhill's Member households are present at a general meeting and vote in favour of winding up by special resolution.

31.2 Distribution of assets

Sunnyhill's assets will first be used to pay its debts. Sunnyhill will purchase at par value all shares of the Members. No other money will be paid and no assets will be distributed to Sunnyhill's Members.

- a) The distribution of any balance will be decided by the Members by ordinary resolution at the general meeting where the decision to dissolve is made
- b) The balance will be transferred to one or more non-profit housing co-operatives, non-profit organizations or charitable organizations
- c) Any organization that receives assets from Sunnyhill must have objectives that are similar to Sunnyhill's objectives. It must also agree that it will not pay any of that income to its Members

Signatures of the Sunnyhill Housing Co-operative Ltd. Board of Directors:

Robert Perry

Date

David Broadhead

Date

Jane Roberts

Date

Sherry Kozak

Date

Helen Wirrell

Date

Philip Cox

Date