

# By-law No. 1

BE IT ENACTED as a By-law relating generally to the conduct of the affairs of Hazelburn Co-operative Homes of Toronto Inc. (hereinafter called the "Co-operative") as follows:

## **Article 1: Interpretation**

1. In this By-law and all other By-laws of the Co-operative unless the context otherwise specifies or requires:
  - (a) "Act" means the Co-operative Corporations Act, Revised Statutes of Ontario, 1980, c. 91 as amended by 1981, Chapter 61, as from time to time amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in the By-laws of the Co-operative to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute of statutes; and
  - (b) "By-law" means any By-law of the Co-operative, including any special By-law, from time to time in force and effect; and
  - (c) all terms contained in the By-laws and which are defined in the Act shall have the meanings given to such terms in the Act; and
  - (d) the singular -shall form the plural and the plural shall include the singular; the masculine shall include the feminine; and the word "person" shall include bodies corporate, corporations, companies, partnerships, syndicates, trust and other number or aggregate of persons.

## **Article 2: General**

1. The head office and chief place of business of the Co-operative shall be located at 178 Jarvis Street in the City of Toronto, Municipality of Metropolitan Toronto in the Province of Ontario.

The seal of the Co-operative shall be inscribed thereon the words Hazelburn Co-operative Homes of Toronto Inc. and the seal impressed in the margin of these By-laws is hereby adopted as the seal of Hazelburn Co-operative Homes of Toronto Inc.

## **Article 3: Membership**

### **3.1 Qualifications**

Membership in the Co-operative shall consist of all persons who are from time to time accepted as members in the manner hereinafter prescribed and whose membership has not been terminated by expulsion or withdrawal. Subject to the approval of the directors, membership shall be open to all who are in agreement with the aims and objects of the Co-operative. Members other than corporate members must occupy a unit within the Co-operative.

### **3.2 Application**

Application for membership shall be made in writing on the forms provided. There will be a non-refundable application fee of \$20.00 per adult. Applicants shall be at least 16 years of age. Applicants shall be approved for membership by the Board of Directors of the Co-operative. There shall be at least one member in each unit.

### **3.3 Repealed – October 15, 2014**

### **3.4 Refusal to Accept Application**

The directors may refuse to accept any application for membership.

### **3.5 Member Loans to Co-operative**

The directors may from time to time provide that each applicant for membership in the Co-operative shall make a loan to the Co-operative of such an amount and upon such terms and conditions as the directors prescribe.

### **3.6 Repealed – October 15, 2014**

### **3.7 Repealed – October 15, 2014**

### **3.8 Suspension**

A member shall be suspended if the member defaults under the Occupancy Agreement that the member has executed with the Co-operative. All voting rights and other rights of the member are suspended automatically if the member is suspended. The suspension shall commence on receipt by the member of written notice of his suspension by the Board. The suspension ceases to exist when the default ceases to exist. Any consideration of suspension by the Board of Directors shall be carried out in the same manner as Termination of Occupancy Rights as outlined in ARTICLE XIV of this By-law.

### **3.9 Repealed – October 15, 2014**

### **3.10 Majority Occupancy by Members**

Notwithstanding any other provision of this By-law a majority of the housing units owned or leased by the Co-operative at any time shall be occupied by the members of the Co-operative and their families.

## **Article 4: Meetings**

### **4.1 Meetings**

Meetings shall be conducted in accordance with the By-laws and where applicable Sections 74 to 84 of the Act.

### **4.2 Place**

Meetings of the members shall be held at the place where the Co-operative is located or other place in Ontario designated by the directors.

### **4.3 Notice**

Notice shall be given to each person who is entitled to notice of meetings and who on the record date for notice appears on the records of the Co-operative as a member by sending the notice by hand delivery prepaid mail at least ten (10) days prior to the date of the meeting.

### **4.4 Quorum**

At every annual or other meeting of the members, twenty per cent (20%) of the members or twenty-five (25) members, whichever is the lesser, present in person shall be necessary to constitute a quorum for the transaction of business. If a quorum is not present within thirty (30) minutes of the time for which the meeting is called the meeting is dissolved.

### **4.5 Chairperson**

The president, or any director or officer shall preside as chairperson at a meeting of the members but if at a meeting none of them is present within fifteen (15) minutes after the time appointed for the holding of the meeting, the members present shall choose a person from their number to be the chairperson.

### **4.6 Voting**

A member of the Co-operative has only one vote. No member of the Co-operative shall vote by proxy with the exception of a corporate member who may appoint one of its directors or officers to attend and vote its one vote on its behalf. All questions proposed for the consideration of the members at a meeting shall be determined by a majority of votes cast, and the chairperson presiding at the meeting shall only vote in the case of an equality of votes.

#### **4.7 Calling of Meeting**

- (a) By Directors: The Co-operative shall hold an annual meeting of its members in accordance with the provisions of Section 77 of the Act, but the directors may at any time call a general meeting of the members for the transaction of any business, the general nature of which is to be specified in the notice calling the meeting.
- (b) By Requisition: Five per cent (5%) of the members of the Co-operative may requisition the directors to call a general meeting of the members for any purpose that is connected with the affairs of the Co-operative. Upon deposit of a requisition stating the general nature of the business to be presented at the meeting and signed by the requisitionists may call the meeting within sixty (60) days from the date of the deposit of the requisition. All matters concerning requisitioned meetings are to be carried out pursuant to Section 77 of the Act.

#### **4.8 Record Date for Notice**

The record date for the determination of members entitled to notice of any meeting of members shall be 5:00 p.m. on the day next preceding the date on which notice is given or sent.

#### **4.9 Record Date for Voting**

The record date for the determination of the members entitled to vote at any meeting of members shall be forty-eight (48) hours (excluding Saturdays and holidays) before the date of the meeting.

#### **4.10 Non-receipt of Notice**

When notice is given to members generally the accidental omission to give notice to any member thereof shall not invalidate any resolution passed or any proceedings taken at such meeting.

## **Article 5: Directors**

### **5.1 Management of the Co-operative**

The affairs of the Co-operative shall be managed by a Board of Directors consisting of seven (7) directors of whom all shall be a member of the Co-operative.

### **5.2 Executive Committee**

The directors may by resolution entered upon the minutes of the Co-operative, (a) elect from among their number an Executive Committee consisting of not less than three (3) and, (b) delegate to the Executive Committee any powers of the Board of Directors, subject to the restrictions, if any, imposed from time to time by the said board.

### **5.3 Qualifications**

No person shall be a director of the Co-operative:

- (a) If he is under 18 years of age; or
- (b) If he is an undischarged bankrupt or mentally incompetent person; or
- (c) If he is not a member of the Co-operative; or
- (d) If he is in default under the Occupancy Agreement between the Co-operative and himself.

### **5.4 Term of Office**

At the first election after occupancy, four (4) directors shall be elected to serve for a two (2) year term, and three (3) directors shall be elected to serve for a one (1) year term. At succeeding annual membership meetings, three (3) Board Members and then four (4) Board Members of the Board shall be elected in alternative years. Each directors so elected shall serve for two (2) years, or until his successor is elected or appointed.

### **5.5 Vacation of Office**

The office of a director shall ipso facto be vacated:

- (a) If he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; or

- (b) If he incurs an indebtedness to the Co-operative which he refuses to pay; or
- (c) If he defaults under the Occupancy Agreement or any other contractual agreement with the Co-operative; or
- (d) If he is absent without leave of the directors from three (3) consecutive regular meetings of the Board of Directors; or
- (e) If by notice in writing to the Co-operative he resigns his office

## **5.6 Balloting**

Elections shall be by ballot. Any ballot which contains the names of more or less than the number required to be elected shall be void.

## **5.7 Election and Removal**

The directors of the Co-operative shall be elected at each annual meeting. The members of the Co-operative may, by resolution passed by a majority of the votes cast at a general meeting duly called for that purpose, remove any director before the expiration of his term of office and may by a majority of the votes cast at that meeting elect any person in his stead for the remainder of his term.

## **5.8 Remuneration**

The directors of the Co-operative shall serve without remuneration but may be paid any necessary expenses incurred by them about the business of the Co-operative. The Board may also by resolution award special services on behalf of the Co-operative other than the routine work ordinarily required of a director of the Co-operative. No payment shall, however, be made to the directors pursuant to these provisions until the members have given their approval at the annual meeting or at any other meeting of the members called therefore. The directors shall also be entitled to be paid their travelling or other expenses properly incurred by them in connection with the business of the Co-operative.

There shall be no remuneration of travelling expenses with respect to any meeting of the Board of Directors or of the Executive Committee held more than one hundred (100) kilometres from the head office of the Co-operative.

## **5.9 Place of Meeting**

Meetings of the Board of Directors and of the Executive Committee (if any) of the Board of Directors may be held at any place within or outside Ontario, but within any financial year of the Co-operative a majority of the meetings of the Board of Directors and of the Executive Committee shall be held at a place in Ontario. Meetings of the Board of Directors shall be held at such time and on such day as the president or vice-president or any two directors may determine, and the secretary shall call meetings when directed or authorized by the president or by a vice-president or by any two (2) directors. Notice of every meeting so called shall be given to each director not less than forty-eight (48) hours before the time when the meeting is to be held, save that no notice of a meeting shall be necessary if all the directors are present or if those absent waive notice of such meeting.

For the first meeting of the Board of Directors to be held immediately following the election of the directors by the members or for a meeting of the Board of Directors at which a director is appointed to fill a vacancy in the Board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order legally to constitute the meeting, provided that a quorum of the directors is present.

## **5.10 Quorum**

A majority of the directors shall form a quorum for the transaction of business. Questions arising at any meetings of the Board of Directors shall be decided by a majority of the votes. The chairperson of the meeting shall only vote in the case of an equality of votes.

## **5.11 For the Protection of Directors and Officers**

Subject to the provisions of Section 98 of the Act, no director shall be disqualified by his office from contracting with the Co-operative nor shall any contract or arrangement entered into by or on behalf of the Co-operative with any director or in which any director is in any way interested be liable to account to the Co-operative for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

## 5.12 Liability

Except as otherwise provided in the Act, no director or officer of the Co-operative shall be liable for:

- (a) the acts, receipts, neglects or defaults of any other director or officer or employee;  
or
- (b) joining in any receipt or act for conformity; or
- (c) any loss, damage or expense happening to the Co-operative; or
- (d) the insufficiency or deficiency of title to any property acquired by the Co-operative or on behalf of the Co-operative; or
- (e) the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Co-operative shall be placed out or invested; or
- (f) any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation; or
- (g) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Co-operative; or
- (h) any other loss, damage or misfortune which may happen in the execution of the duties of his respective office or trust or in relation thereto; unless the same shall happen by or through his failure to act honestly, in good faith and in the best interest of the Co-operative and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **5.13 Indemnity**

Every director and officer of the Co-operative and his heirs, executors, administrators and other legal personal representative, shall from time to time be indemnified and saved harmless by the Co-operative from and against::

- (a) any liability and all costs, charges and expenses that he sustains or incurs in respect of any actions, suit or proceedings that is proposed or commenced against him for or in respect of anything done or permitted by him in respect of the execution of the duties of his office; and
- (b) all other costs, charges and expenses that he sustains or incurs in respect of the affairs of the Co-operative;

with the exceptions that no director or officer of the Co-operative shall be indemnified by the Co-operative in respect of any liability, cost, charges or expense that he sustains or incurs in or about any action, suit or proceeding as a result of which he is adjudged to be in breach of any duty or responsibility imposed upon him under the Act or under any other statute unless, in an action brought against him in his capacity as a director or officer, he achieved complete or substantial success as the defendant.

### **5.14 For the Protection of Others**

Except as otherwise required by paragraph 15 and subject to the exceptions in paragraph 13 the Co-operative may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Co-operative) by reason of the fact that he is or was an employee or agent of the Co-operative or is or was serving at the request of the Co-operative as a director, officer, employee, agent of or participant in another corporation, partnership, joint venture, trust or other enterprises, against expenses (including legal fees), judgments, fines and amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Co-operative, and with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, shall not, of itself, create a presumption that the person acting or proceeding, had reasonable cause to believe that his conduct was unlawful.

### **5.15 Successful Defense**

To the extent that a person who is or was an employee or agent of the Co-operative has achieved complete or substantial success as a defendant in any action, suit or proceeding referred to in paragraph 14, he shall be indemnified against all costs, charges and

expenses actually and reasonably incurred by him in connection therewith.

#### **5.16 Right of Indemnity Not Exclusive**

The provisions for indemnification contained in the By-laws of the Co-operative shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under By-law, agreement, vote or members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall endure to the benefit of the heirs, executors and administrators of such a person.

## **Article 6: Officers**

### **6.1 Assuming Office – Removal of an Officer**

The directors shall annually or more often as may be required elect a president, a secretary and a treasurer. The directors may also elect up to a maximum of three (3) vice-presidents. None of the said officers except the president and vice-president(s) need be a member of the Board of Directors. A vote of the majority of directors shall be necessary for the election or appointment of the said officers. The directors may from time to time elect or appoint such other officers and agents as they shall deem necessary who shall have such authority and shall perform such duties as the directors shall from time to time prescribe. All officers, in the absence of agreement on the contrary shall be subject to removal by resolution of the directors at any time with or without cause provided that a majority of the directors shall vote in favour thereof.

### **6.2 Remuneration**

Officers, who are elected or appointed by the directors and who may not be directors of the Co-operative shall serve as officers without remuneration, and shall not receive directly or indirectly any profit from their positions as officers, but may be paid any necessary expenses incurred by them about the business of the Co-operative.

### **6.3 Delegation**

In the case of the absence or inability to act of the president, vice-president(s) or any other officer of the Co-operative for any reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer or officers to any director in the case of the president or vice-president(s), or any member, in the case of all other officers, for the time being, provided that a majority of the directors concurs therein.

### **6.4 Duties of the President**

The president may, if present, preside at meetings of directors, or members. He shall sign all instruments which require his signature and shall perform all duties incident to his office and shall have such other powers and duties as may from time to time be assigned to him by the directors.

## **6.5 Duties of the Vice-President**

The senior vice-president shall be vested with all the powers and shall perform all the duties of the president in his absence or disability or refusal to act as the president. All vice-presidents shall have such powers and duties (if any) as may from time to time be assigned to them by the directors.

## **6.6 Duties of the Secretary**

The secretary shall issue or cause to be issued notice for all meetings of the members and the directors when directed to do so. He shall have charge of the minute books and seal of the Co-operative. He shall sign with the president or other signing officer or officers of the Co-operative such instruments - as require his signature and shall perform such other duties as the terms of his engagement call for or the directors may from time to time properly require of him. He shall keep or cause to be kept a book or books or other suitable records wherein shall be kept recorded:

- (a) a copy of the Articles of the Co-operative and the By-laws of the Co-operative duly authenticated; and
- (b)
  - i) the names of all persons who are or have been within ten (10) years registered as members of the Co-operative and the address including the street and number, if any, of every such person while a member; and
  - ii) all persons who are or who have been holders of debt obligations other than debt obligations in bearer form of the Co-operative and the address including the street and number, if any, of every such person while a holder in which are set out also the class or series and principal amount of the debt obligations held by such holder; and
- (c) the names, post office addresses and callings of all persons who are or have been directors of the Co-operative, with a date at which such person became or ceased to be a director.

## **6.7 Duties of the Treasurer**

The treasurer shall have the care and custody of all the funds of the Co-operative and shall deposit the same in the name of the Co-operative in such bank or banks or with such depository or depositories as the directors may direct. He shall keep or cause to be kept proper accounting records in which are set out all financial and other transactions of the Co-operative including without limiting the generality of the foregoing, records of:

- (a) All sums of money received and disbursed by the Co-operative and the matters with respect to which receipt and disbursements took place; and
- (b) All sales and purchases of the Co-operative; and
- (c) The assets and liabilities of the Co-operative; and
- (d) All other transactions affecting the financial position of the Co-operative.

He shall at all reasonable times exhibit his books and accounts to any director upon application at the office of the Co-operative during business hours. He shall sign or countersign such instruments as require his signature and shall perform all duties incident to his office or that are properly required of him by the directors. He shall be required to give such bond as the directors in their controlled discretion may require and no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Co-operative to receive indemnity thereby provided.

## **6.8 Vacancy**

If the office of the president, vice-president(s), secretary or treasurer shall be or become vacant by reason of death, resignation, disqualification or otherwise, the directors, by resolution may elect an officer to fill such vacancy.

## **Article 7 – Auditors**

### **7.1 Appointment and Removal**

The members of a Co-operative at their first general meeting and at subsequent annual meetings shall appoint one (1) or more auditors to hold office until the close of the next annual meeting.

### **7.2 Qualifications**

No person shall be appointed or act as auditor if:

- (a) he is or has been, during the preceding two (2) years, a director, officer, or employee of the Co-operative or a partner, employer, or employee or relation to such director, officer or employee; or
- (b) if he or any partner or employer or related person to him transacts a material] amount of business with the Co-operative; or
- (c) he or any partner or employer of or related person to him is appointed a trustee of the estate of a Co-operative under the Bankruptcy Act (Canada).

The members may, by resolution passed by a majority of the votes cast at a general meeting duly called for the purpose, remove an auditor before the expiration of his term of office and shall by a majority of votes cast at that meeting appoint another auditor in his stead for the remainder of his term, provided -that the auditor is given notice and an opportunity to make representations as required under Section 124 of the Act.

### **7.3 Report**

The auditor shall make a report to the members on the yearly financial statement to be laid before the Co-operative at any annual meeting during his term of office and shall state in his report whether in his opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operations for the period under review in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. If the financial statement contains a statement of changes in net assets or statement of source and application of funds, the auditor shall include in his report a statement of whether in his opinion, the statement of changes in net assets or the statement of source and application of funds presents fairly the information shown therein. The auditor shall attend any meeting of the members at the request of any member, provided notice of such request is given in writing to the Co-operative five (5) days before the meeting, and shall answer inquiries directed to him concerning the basis upon which he formed the opinion stated in the

aforementioned report.

## **Article 8: Distribution of Surplus**

Any surplus arising from the business of the Co-operative in each fiscal year shall be set aside in retained earnings which is not to be paid or in any way distributed to the members, and shall be applied for such purpose or purposes as are consistent with the objects for which the Co-operative is incorporated, and is conducive to the interests of the Co-operative. The Board of Directors may invest in whole or in part in such investments as it sees fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Co-operative.

## **Article 9: Special Provisions**

### **9.1 Members Gain**

The Co-operative shall be carried on without the purpose of gain for its members and any profit or other accretion to the Co-operative shall be used in promoting its objects.

### **9.2 Dissolution**

In the event of dissolution of the Co-operative all net assets after payment of liability shall be paid to an organization whose object is the promotion of nonprofit co-operative housing or if no such organization is available to accept the assets, to a charitable organization carrying on its activity solely within Canada.

### **9.3 Sector Support**

The Co-operative, its members and directors will continue to support the growth and evolution of the co-operative housing sector by word and act, by membership or financial support of organizations and associations whose objects are the promotion of non-profit co-operative housing.

## **Article 10: Execution of Instruments**

Contracts, documents or instruments in writing approved by the Board and/or members, requiring execution by the Co-operative may be signed by the president or vice-president and the secretary or the treasurer and all contracts, documents or instruments in writing so signed shall be binding upon the Co-operative without any further authorization or formality. The Board of Directors is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Co-operative to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this By-law shall include deeds, mortgages, charges, conveyances, transfers and assignments of property of all kinds including specifically but without limitation transfers and assignments of loan certificates or other securities and all paper writings.

## **Article 11: Fiscal Year**

The financial year of the Co-operative shall end on the 30th day of June in each year.

## **Article 12: Notices**

### **12.1 Method of Giving**

Any notice, communication or other document to be given by the Co-operative to a member, director, officer or auditor of the Co-operative shall be sufficiently given if delivered to his last address as recorded in the books of the Co-operative or if mailed by ordinary prepaid or air mail in a sealed envelope addressed to him at his last address as recorded in the books of the Co-operative or if sent by any means of wire or wireless or any other form of transmitted or recorded communication.

### **12.2 Computation of Time**

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

### **12.3 Omissions and Errors**

The accidental omission to give any notice to any member, director, officer or auditor or the non-receipt of any notice by any member, director, officer or auditor or an error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

## **Article 13: Repealed – October 15, 2014**

## **Article 14: Repealed – October 15, 2014**

## Article 15: Amendments

The directors may pass By-laws not contrary to the Act or to the Articles provided that the By-law is confirmed, with or without variation, by at least two-thirds' (2/3) of the votes cast at a general meeting of the members of the Co-operative duly called for that purpose. No By-law is effective until the foregoing has been carried out.

It shall be the duty of the secretary to file with the Credit Unions and Co-operatives Branch, Provincial Ministry of Consumer and Commercial Relations, a certified copy of any By-laws changing the location of the head office of the Co-operative or increasing or decreasing the number of directors, within ten (10) days of confirmation thereof by the members, as required under the Act.

Where the terms of any present or future By-law of the Co-operative contradict or are inconsistent with ARTICLE VI, 2. and ARTICLE IX, 2., these sections shall always prevail and the other terms shall be inoperative to the extent of such contradiction or inconsistency whether the contradiction or inconsistency arises on or after the enacting of the By-law.

PASSED by the Board of Directors of the Co-operative at its meeting held on the 7<sup>th</sup> day of April, 1986.

CONFIRMED by at least two-thirds of the votes cast at a general meeting of members of the Co-operative held on the 20th day of April, 1986.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a solid horizontal line.

**President**