

BIRCHWOOD MEADOW HOUSING CO-OPERATIVE INC.

# By-law No. 1

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## Director Arrears By-Law

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Passed by the Board of Directors on the 12<sup>th</sup> day of November, 2014

Confirmed by the Members on the 29<sup>th</sup> day of January, 2015

## **Article 1: Purpose of this by-law**

This by-law sets out the co-op's rules about members financial obligations to the Co-operative when being nominated for or serving on the Board of Directors.

## **Article 2: Priority of this by-law**

This by-law takes the place of or amends all previous by-laws or policies that deal with arrears for Directors or for those who are nominated to be Directors at a General Members Meeting. The co-op is required to follow the procedures stated in this by-law.

## **Article 3: Directors in Arrears**

- 3.1 No one who is in arrears of housing charges, or is behind in their financial obligations to the Co-operative for any reason, can be elected to or serve on the Board of Directors.
- 3.2 All directors must pay their housing charges, or other monies due to the Co-operative, in full and on time. If a director is in arrears, the Co-operative will give the director written notice of this fact. The director will have 14 calendar days after the notice is given, to pay the arrears in full. The director will automatically cease to be a director at the end of the 14 days if they have not paid the arrears in full, regardless if a repayment or performance agreement has been signed.
- 3.3 If the director disputes the amount owing, the director can:
  - a) Pay the full amount set out in the arrears notice and remain on the Board until the Board reviews the matter. If the Board finds that there was an error in the notice, the Co-operative will refund to the director the excess amount paid.
  - b) Give the Co-operative written notice of the dispute by the earlier of the beginning of the next scheduled board meeting or the end of the 14 day notice period. The Board will review the matter at its first meeting after receipt of the director's notice. It will decide on the facts whether the amount

in the notice was correct. The Board's decision will be final. If the Board finds that there are arrears of any amount, the member will cease to be a director immediately after the Board makes its finding, unless the full amount owing is paid at that time. If the Board does not review the matter or does not make a finding, the notice will stand and the member will cease to be a director at the end of that meeting.

- 3.4 The written notice to the director can be given in the form of Schedule A attached to this By-Law, but an ordinary arrears notice or any other written notice will also start the 14 day period. The notice will be given by the manager (co-ordinator). Prior approval from the board is not needed.

CERTIFIED to be a true copy of By-law No. 1 of Birchwood Meadow Housing Co-Operative Inc., passed by the Board of Directors at a meeting held on November 12, 2014.

Confirmed by a two-thirds vote at a meeting of members held on \_\_\_\_\_ .

\_\_\_\_\_  
President

\_\_\_\_\_  
Corporate Secretary

## SCHEDULE "A"

### ARREARS NOTICE TO DIRECTORS

DATE:

**TO:**

Our records show that as of the date of this notice, you owe the Co-operative \$\_\_\_\_\_. Under the Co-operative's By-Law #1, you have up to 14 calendar days from the notice date, to pay this amount in full. If after 14 days any amount remains unpaid, you will no longer be a member of the Board of Directors. Please be advised that having a repayment or performance agreement in place, or asking for one, will not allow you to remain on the Board.

A copy of By-Law #1 concerning director arrears is attached to this notice. It explains what actions are required if you believe that the amount indicated in this notice is not correct. For more information about the amount owing, or to make arrangements to pay it, please see the Co-operative's manager (co-ordinator).

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Name & Position