

Rules

Otter Point Recreational Co-operative Association

*Extractions of the Applicable Sections of the
“Cooperative Association Act” and “Cooperative
Association Regulation”*

Rules of the Otter Point Recreational Cooperative Association

Table of Contents

Table of Contents	2
Definitions (Section 1)	3
Membership (Section 2)	5
Withdrawal or Termination of Membership (Sections 3 – 4)	5
Transfer of Shares (Section 5)	6
Death or Bankruptcy (Section 6)	7
Shares (Sections 7 – 11)	8
Lien (Section 12)	8
Forfeiture Of Shares (Sections 13 – 15)	9
General Meetings (Sections 16 – 25)	9
Voting (Sections 26 – 33)	12
Directors (Sections 34 – 46)	14
Directors’ Power To Make Regulations (Section 47)	18
Financial (Section 48)	19
Assessments and Calls (Sections 49 to 54)	19
Indemnity (Section 55)	20
Disputes (Section 56)	20
Service documents FROM and TO the Association	21
Notices (Sections 57 – 58)	21
The Seal (Section 59)	22
Alteration of Rules (Section 60)	22
Special Vs. Ordinary Resolutions (Appendix 1)	22
Cross-reference OP rules with provincial acts & regulations (Appendix 2)	24

Introduction

This document is an extraction of the applicable sections of the “Cooperative Association Act” (the Act, assented to July 15, 1999) and the “Cooperative Association Regulation” (the Regulations, deposited December 8, 2000, effective January 31, 2001) as they relate to the Otter Point Cooperative Association (the Association).

Rules of the Otter Point Recreational Cooperative Association

See the Act at: http://www.qp.gov.bc.ca/statreg/stat/C/99028_01.htm and the Regulations at http://www.qp.gov.bc.ca/statreg/reg/C/CoopAssn/391_2000.htm). Copies of each can also be purchased from [Crown Publications Inc.](#), 521 Fort Street, Victoria, BC V8W 1E7. Telephone: (250) 386-4636. Copies of Acts and Regulations can also be viewed at public libraries.

The information in this document is based on the current Cooperative Association Act and the Cooperative Association Regulation. Acts and Regulations are subject to change.

In these rules, unless the context otherwise requires, the words importing the singular include the plural and vice versa and words importing the masculine gender include females and words importing persons include corporations.

Please note: Any amendments to the Association's memorandum or rules must be authorized by special resolution.

A special resolution for a purpose referred to in the act does not take effect until a certified copy of it has been filed with and registered by the registrar.

Definitions (Section 1)

Act

Means the *Cooperative Association Act* of British Columbia from time to time in force and all amendments to it.

Board or 'the directors'

The directors of the Association for the time being.

Call

Includes an installment and any other sum paid or payable or agreed to be paid for a membership share.

Joint Member

Means a person who is one of 2 or more persons who jointly hold one membership in the Association.

Member

Rules of the Otter Point Recreational Cooperative Association

Means a member of the Association and includes a Joint Member.

Officer

In relation to an Association, includes

- a) the chair of the board of directors, every vice chair of the board of directors, the president, every vice president, the secretary, every assistant secretary, the treasurer and every assistant treasurer,
- b) the general manager and every other individual designated, according to functions performed for the Association, as an officer by the rules or by resolution of the directors, and
- c) every other individual who performs functions for the Association similar to those performed by the officers described in a) and b) of this definition.

Quorum of the board

A quorum of the board is a majority of the total number of directors authorized by the Association.

Ordinary Resolution

A resolution of the members of an Association that is

- a) submitted to all the members who are entitled to vote on the resolution and passed by being consented to *in writing* by $\frac{3}{4}$ (75%) of those members, or
- b) passed, after the required notice of meeting under this Act, in a general meeting by a simple majority (50% +) of the total votes cast by the members who are entitled to vote on the resolution, including votes cast in person and, if permitted by this Act and the Association's rules votes cast by proxy.

Special Resolution

A resolution of the members of an Association

- a) that is submitted to all the members who are entitled to vote on the resolution and passed by being consented to *in writing* by all of them (100%), or
- b) that is
 - i) passed, after the required notice of the meeting under this Act, in a general meeting by a majority that the Association's rules specify is required, of the total votes cast by the members who are entitled to vote on the resolution, including votes cast in person and, if permitted by this Act and the Association's rules, votes cast by proxy if the specified majority is at least $\frac{2}{3}$ (66.66%), but not more than $\frac{3}{4}$ (75%)

Rules of the Otter Point Recreational Cooperative Association

of those votes or, if the Association's rules *do not specify* the required majority,

- a. at least $\frac{2}{3}$ (66.66%) of those votes, in the case of an Association other than a housing cooperative, or
- b. at least $\frac{3}{4}$ (75%) of those votes, in the case of a housing cooperative

Membership (Section 2)

2. Membership in the Association is open in a non-discriminatory manner to individuals and eligible organizations that can use the services of the Association and are willing and able to accept the responsibilities of membership.

- a) To be eligible for membership in the Association, an individual must be at least 19 years of age.
- b) 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.
- c) An individual or eligible organization that wishes to become a member must submit to the Association a written application for membership in the form provided by the Association for that purpose and payment for the minimum number of membership shares required (as noted below) for membership in the Association.
- d) Shares are designated as membership shares and each member must, as a condition of membership, subscribe to at least 90 of those shares, but not more than 500 shares.
- e) Two or more individuals or eligible organizations may apply in accordance with #2 (c) above to be joint members and, if the application is approved under #2 (b) above, the joint members hold the membership shares purchased in respect of the joint membership in joint tenancy.
- f) Each of the following may be admitted to membership in the association and represented by an individual authorized on its behalf:
 - a) the government;
 - b) a first nation;
 - c) a corporation.

Withdrawal or Termination of Membership (Sections 3 – 4)

3. **Withdrawal from membership**

Rules of the Otter Point Recreational Cooperative Association

A member may withdraw from membership in the Association by

- a) giving written notice to the directors of the member's intention to withdraw;
- b) surrendering any share certificates in respect of membership shares;
- c) The membership of a member ceases on the date the member has complied with the requirements of 3 a and b above;
- d) When a member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to a membership cease except the right to require the association to redeem the member's membership share. The cessation of membership does not release the former member from any obligation owed to the association unless the instrument of debt or obligation states otherwise.

4. Grounds for termination of membership

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

- a) the member has engaged in conduct detrimental to the Association,
- b) 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,
- c) in the opinion of the directors, based on reasonable grounds, the member
 - (i) has breached a material condition of an agreement with the Association, and
 - (ii) has not rectified the breach within a reasonable time after receiving written notice to do so from the Association, or
- d) the member has not transacted any business with the Association for a period of 2 consecutive years.

Transfer of Shares (Section 5)

5. An instrument of transfer of any shares in the Association must

- a) be in writing,
- b) specify the number and,
- c) be executed and dated both by the transferor and transferee, or an attorney authorized in writing by the transferor or transferee, as applicable, or if the transferor or transferee is an eligible organization, by a duly authorized director, officer or attorney of the organization.

The transferor remains the holder of the shares until the name of the transferee is entered in the register of members.

Rules of the Otter Point Recreational Cooperative Association

Shares in the Association may be transferred using the form of the Regulation, or in another usual or common form approved by the directors.

A transfer of shares does not take effect until:

- a) any lien of the Association on the shares has been satisfied,
- b) the transfer has been authorized by the directors, and
- c) the name of the transferee is entered in the register of members.

The directors must immediately enter the name of the transferee in the register of members when, with respect to the transfer of a share,

- a) the requirements set out in a) and b) in the paragraph above have been met
- b) a duly executed instrument of transfer with the certificate issued in respect of the share attached has been delivered to the Association, and
- c) the certificate has been cancelled.

The Association may refuse to register a transfer or acknowledge an assignment of membership shares, or interest affected by a lien established by the Act (see #13).

Death or Bankruptcy (Section 6)

6. Subject to notice to the Association of the death or bankruptcy of a member has the same effect as a notice of intention to withdraw.

The person entitled to the membership of a deceased member may, on providing satisfactory proof to the directors of the death of the member and the person's entitlement,

- a) if the person is not a member, apply for membership in the Association.
- b) if the person is a member, request that the directors register the membership in the member's name, or
- c) apply to the directors to redeem the shares for re-sale.

The Association must not register a membership share in the name of the person entitled to a deceased member's shares unless

- a) that person is a member, and
- b) the transfer has been authorized by the directors.

If the person entitled to the membership share of a deceased member does not qualify for membership 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

Rules of the Otter Point Recreational Cooperative Association

the Association with proof of his or her entitlement, the amount paid up on the shares.

Shares (Sections 7 – 11)

7. Except where provided for, the Association must not issue or allot membership unless the shares are paid for in accordance with the Act. Membership shares may be payable on call.
8. The directors may from time to time make calls upon 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.
9. If a call is not paid on or before the date set for payment by the resolution referred to in #8 (above), the member from whom the money is due on call must pay interest on the unpaid amount of the call at the rate of 2% per month from the date set for payment until the date of payment.

The interest that accumulates is a debt due to the Association. The directors may waive payment of interest due.

10. Payment of dividends or interest on membership shares that are not fully paid is governed by the Act.
11. A person whose name is entered in an Association's register of members is entitled, without payment, to a certificate of the Association.

A certificate referred to in the above paragraph is evidence of the person's title to the membership shares described in the certificate. Despite the paragraph above, an Association's rules may require that the Association not issue membership share certificates.

Lien (Section 12)

12. An Association has a lien on the membership shares of the person, who holds the shares for a debt due to the Association by that person, and the lien extends to any dividend or interest credited to that person for the membership shares, as the case may be.

Rules of the Otter Point Recreational Cooperative Association

Forfeiture Of Shares (Sections 13 – 15)

13. If a member fails to pay a call on or before the date set for payment by the resolution referred to in #5, 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 #9.
14. If a member on whom or on which a notice has been served (as in the paragraph above) 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.
15. Forfeiture under #14 is effective on the date that the directors make the resolution referred to in that rule.

A member whose share has been forfeited in accordance with a resolution under #15 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.

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.

A member whose share has been forfeited remains liable to the Association for interest that accrued under #9 to the date of the resolution under #15 and that interest is a debt due to the Association.

General Meetings (Sections 16 – 25)

16. A general meeting of every Association must be held at least once in every calendar year within 4 months after the end of its financial year but the registrar may approve of the meeting being held on a suitable date close to the date when the meeting ought to have been held.
17. The rules of an Association may provide for semi-annual or other periodic meetings.
18. The directors of an Association may call a special general meeting when they think fit.

Subject to the Act (refusal to call a meeting below), the directors must call a special general meeting on receipt of a written requisition signed by:

- b) if there are more than 100 but fewer than 5000 members of the Association, at least the greater of

Rules of the Otter Point Recreational Cooperative Association

- i. 20 members, and
- ii. 10% of the members

A requisition under the Act for a special meeting or a special general meeting must

- a. state the objective of the meeting,
- b. state the name and address of the representative of the requisitioning members,
- c. if applicable, set out the resolution to be submitted to the meeting, and
- d. be served on the Association.

If the directors receive a requisition that complies with the above rules, then, within 7 days after the date the requisition is served on the Association, the directors must

- a) call the requisitioned general meeting, or
- b) refuse to call the requisitioned general meeting on one or more of the following grounds:
 - i. it clearly appears that the proposal is submitted by the members for the purposes of enforcing a personal claim or redressing a personal grievance against the Association or its officer, or primarily for the purpose of promoting causes that are extraneous to the purposes of the Association;
 - ii. substantially the same proposal was considered and defeated by the membership within 3 years immediately before the date the requisition containing the proposal was delivered to the registered office;
 - iii. the business of the requisitioned general meeting as stated in the requisition includes a matter outside the powers of the members.

- 19.** At least 14 days' notice of every annual general meeting of an Association and of every general meeting of an Association at which a *special resolution* is to be proposed must be given to each member.

In the case of a general meeting other than a meeting referred to in the above paragraph, at least 7 days notice, or any longer notice that the Association may provide in its rules must be given to each member.

The notices under this section must specify

- a) the place, the day and the hour of the meeting, and
- b) in the case of special business, the general nature of that business.

- 20.** The quorum for the transaction of business at a general meeting is 10% of the total number of members entitled to vote at the meeting.

Rules of the Otter Point Recreational Cooperative Association

21. The president or, in the absence of the president, the vice-president of the Association, must preside as chair at every general meeting.
22. 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.
23. 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.

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

- a) if convened by requisition of members, must be dissolved, and
- b) in any other case, stands adjourned to the same day in the next week at the same time and place, unless the place of the meeting is changed out of necessity.

If at the adjourned meeting referred to above 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.

24. 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.
25. The order of business at the annual general meetings, to the extent appropriate in the circumstances, must be as follows:
 - a) meeting to be called to order;
 - b) notice convening meeting to be read;
 - c) minutes of preceding annual general meeting to be read and adopted or amended and adopted as required;
 - d) business arising out of minutes to be considered;
 - e) reports of standing and special committees to be read;
 - f) financial statement to be placed before the meeting;
 - g) reports of directors and auditors to be read;
 - h) election of directors and appointment of auditors;
 - i) special business to be considered;
 - j) unfinished business to be considered;
 - k) new business to be considered.

Rules of the Otter Point Recreational Cooperative Association

Any business other than business listed in the published agenda (Business at annual general meeting) is special business.

Special business must be approved by *ordinary resolution* of the members unless the Act or the Regulations require otherwise.

If special business is to be considered at a general meeting, the notice of the meeting under #25 i) must state the nature of the special business in sufficient detail to permit a member to form a reasoned judgment concerning the business.

If a *special resolution* is to be proposed at a general meeting, the notice under #25 i) of that meeting must include

- a) the full text of the *special resolution*, or,
- b) if the full text of the *special resolution* is too lengthy for convenient inclusion in the notice, a summary of the text in sufficient detail to permit a member to form a reasoned judgment concerning the *special resolution*.

If a notice under #25 i) contains a summary of the text of a *special resolution* as provided in (b) in the paragraph above, the notice must also state the place where the full text of that *special resolution* can be read or copied.

Voting (Sections 26 – 33)

26. At a general meeting, every motion must be determined by *ordinary resolution* unless otherwise required by the Act or the Regulations

Joint members of an Association are together entitled to only one vote unless the Association's rules provide for each of the joint members to have one vote.

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

28. A member in arrears with a call on the member's membership shares may not exercise any right to vote on the member's own behalf or on behalf of any other person.

A member of an Association may vote by proxy at a meeting of the Association or any adjournment of that meeting if the member's residence as determined from the register of members of the Association, is more than 1 km, or more than a distance specified in the Association's rules.

Rules of the Otter Point Recreational Cooperative Association

Membership amendment – August 17, 2003

A member may not vote more than 3 membership proxies.

29. Votes of persons in a representative capacity (proxies).

A person who is not registered as the owner of membership shares but who is entitled to vote at a general meeting 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.

30. Representative of an eligible organization.

- 1) If an eligible organization provides evidence of the appointment of an individual to represent it at a general meeting,
 - a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the eligible organization as that eligible organization could exercise if it were an individual member of the organization and,
 - b) the representative, if present at a meeting, is to be counted for the purpose of forming a quorum.
- 2) The evidence of appointment with respect to a representative of an eligible organization may be provided by written instrument, facsimile transmission, telegram, telex or any method of transmitting legibly recorded messages.

31. A proxy or an instrument appointing a representative of a member who is an eligible organization, must

- a) be in writing,
- b) identify the appointing shareholder and the proxy holder, or the eligible organization and individual appointed as the representative of the eligible organization,
- c) identify the meeting in respect of which the proxy is given or the meeting for which the representative is appointed,
- d) be signed by the appointing member or an attorney authorized in writing by the appointing member or, if the appointing member is an eligible organization, a duly authorized director, officer or attorney of the eligible organization, and
- e) include the date of the signature referred to in paragraph (d).

A proxy, along with the original or a copy, certified by a notary public, or the power of attorney or other authority, if any, under which the proxy is signed, must be deposited:

- 1) at the registered office of the Association or at any other place specified for the purpose in the notice calling the meeting, at least 48 hours, excluding

Rules of the Otter Point Recreational Cooperative Association

Saturdays and holidays, before the time for holding the meeting in respect of which the person named in the instrument is appointed, or

- 2) at the place specified for the meeting, before its commencement, with a director or officer or the solicitor of the Association.

32. An instrument appointing a proxy may be in the following form or in any other form approved by the directors:

I _____, of _____,
a member of _____ (name of Association) hereby
appoint _____ as my proxy to vote for me and on my
behalf at the general meeting to be held on _____ (year,
month, day), and any adjournment of that meeting, and the person I am appointing
is a *member* of the Association.

Signature _____ Date _____ (year, month, day)

33. Unless otherwise provided in the Regulations 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 before or promptly on the declaration of the result of the vote by a show of hands, a written ballot poll is directed by the chair or demanded by at least one individual who is present and entitled to vote.

Each ballot cast on a poll, and each proxy appointing a proxy holder who casts a ballot on a poll,

- a) must be kept at the registered office of the Association for 3 months after the general meeting,
- b) during the period referred to in paragraph (a), must be open to inspection at the registered office of the Association during the Association's normal business hours by any member or proxy holder entitled to vote at the meeting from which the ballot and the proxy came, and
- c) may be destroyed at the end of the period referred to in paragraph (a).

Directors (Sections 34 – 46)

34. The Association must have:

- a) in accordance with the Act, at least 3 directors, and
- b) not more than 7 directors

Rules of the Otter Point Recreational Cooperative Association

The number of directors may be changed within the limits set out above by *ordinary resolution* of the members.

A majority of the directors of the Association must be individuals ordinarily resident in Canada, and one of the directors of the Association must be an individual ordinarily resident in British Columbia.

35. 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.

A reduction in the number of directors in the first paragraph in #34 above does not affect the unexpired term of a director in office.

Directors will be elected to hold the offices of:

- President
- Vice President
- Secretary
- Treasurer
- Directors at large (1 – 3)

Two or more offices of the Association may be held by the same individual.

If the number of nominees in an election for “directors at large” exceeds the number of directors to be elected at the election, the election of directors must be by secret ballot.

The board must determine the term of office and the remuneration of any officer it appoints.

36. Effect of vacancy on ability of directors to act

1) Despite any vacancy on the board:

- (a) if and so long as the number of continuing directors constitutes a quorum of the board, may continue to function without filling the vacancy and may appoint a qualified member to fill the vacancy, or
- (b) if the number of continuing directors does not constitute a quorum of the board, may appoint directors for the purpose of increasing the number of directors to a quorum or to call a general meeting and for no other purposes.

2) Except in the circumstances described, and to the extent authorized in subrule (1) (b), the directors are not entitled to fill a vacancy on the board that is caused by either an increase in the number of directors (see #34) or a failure to elect the minimum number of directors.

Rules of the Otter Point Recreational Cooperative Association

- 3) In the circumstances described in subrule (1)(b) or when there are vacancies on the board as a result of an increase in the number of directors (see #34) or a failure to elect the minimum number of directors, the board must call, as soon as practicable, a general meeting to fill the vacancy.
 - 4) The term of office of a director appointed under subrule (1) (a) is the unexpired portion of the term of office of the individual whose departure from the office created the vacancy.
 - 5) The term of office of a director appointed under subrule (1) (b) or (2) is until the vacancy is filled under subrule (3).
 - 6) If, as the result of a vacancy, there are no directors of the Association, the members may, by *ordinary resolution* or by an instrument in writing signed by a simple majority of members, appoint a qualified individual as director solely for the purpose of calling a special general meeting to fill the vacancies on the board.
- 37.** 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.
- 38.** All of the directors of the Association must be members of the Association or authorized individuals (Individuals, government, first nations and corporations).
- 39.** A director of an Association ceases to hold office if
- a) the term of office of that director expires in accordance with the Association's rules or this Act,
 - b) the director dies or resigns,
 - c) the director is removed in accordance with the Act.
 - d) the director ceases to be qualified.

Subject to the Association's rules, a director of an Association may be removed before the expiration of the director's term of office by a *special resolution*, one or more separate resolutions or a combination of both, depending on whether the persons who would be entitled to vote if an election of that director were being held comprise, at the time of removal, only the members.

Subject to the Association's rules, a vacancy on the board of directors because of the removal of a director under subsection (1) may be filled by a resolution or resolutions of the members described in subsection (1), requiring a simple majority for passage.

Rules of the Otter Point Recreational Cooperative Association

The board, in its discretion, may remove any officer of the Association without prejudice to that officer's rights under any employment contract.

40. Every director of an Association, in exercising the director's powers and performing the director's functions, must
- a) act honestly and in good faith with a view to the best interests of the Association,
 - b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances,
 - c) act in accordance with this Act and the regulations, and
 - d) subject to paragraphs (a) to (c), act in accordance with the Association's memorandum and rules.

This section is in addition to, and not in derogation of, any enactment or rule of law or equity relating to the duties or liabilities of directors of corporations.

No provision in a contract or in an Association's rules or memorandum relieves a director of the Association from

- a) the duty to act in accordance with this Act and the regulations, or
- b) liability that by virtue of any enactment or rule of law or equity would otherwise attach to that director in respect of any negligence, default, breach of duty or breach of trust of which the director may be guilty in relation to the Association.

A director of an Association who receives or has charge of money of the Association must give security before entering on his or her duties, as may be considered necessary by the directors.

41. The directors may delegate any of their powers to committees of the directors and set terms of reference for the committees that are binding on them in exercising the delegated powers.

The board may, by resolution, appoint one or more committees consisting of the director or directors that the board consider appropriate to exercise the powers delegated by the board to them as authorized by the Act.

Any committee so formed, in the exercise of the powers delegated to it, must

- a) conform to any terms of reference that may from time to time be imposed on it by the directors, and
- b) report every act or thing done in the exercise of those powers to the earliest meeting of the directors held next after the act or thing has been done.

42. The directors must cause minutes of the following to be made in books provided for the purpose:

Rules of the Otter Point Recreational Cooperative Association

- (a) all appointments of officers made by the directors;
- (b) the names of the directors present or absent, at each meeting of directors or of any committee of directors;
- (c) all resolutions and proceedings at all meetings of the Association, the directors or any committee of directors.

43. An Association must keep specific records at its registered office, and, in accordance with the Act (Records to be kept at registered office) subject to confidentiality, must make the records available at that office for inspection during the Association's normal business hours by any person.
44. 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.
45. 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.

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.

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

Directors' Power To Make Regulations (Section 47)

47. The directors must manage or supervise the management of the business of the Association and may exercise all the powers of the Association.

Subject to the Act (Persons not qualified as auditors), the board may specify the powers, duties and responsibilities of the officers appointed, and may vary, add to, or limit the powers, duties, and responsibilities of any officer.

Questions arising at any meeting of a committee of directors are determined by a majority of votes of the members present, and in case of an equality of votes the chair has no second or casting vote.

Rules of the Otter Point Recreational Cooperative Association

Financial (Section 48)

48. The directors may, for the purposes of the Association, on behalf of the Association,
- a) borrow or raise money in the manner and amount, from the sources, on terms and conditions, and
 - b) issue notes, bonds, debentures and other debt securities

as the directors consider appropriate.

The directors should not transact any financial spending in excess of \$30,000 without specific approval to do so, ratified by a vote taken at the AGM. Should a special emergency arise that required such an expenditure, the transaction must be authorized by the majority of the directors.

Board Of Directors meeting, January 20th 2007.

Subject to any limitations adopted by the directors, and any applicable Regulations, the directors may invest funds of the Association in the manner they consider appropriate (i.e. in a security or class of securities in which trustees are permitted to invest trust funds under the *Trustee Act*).

Assessments and Calls (Sections 49 to 54)

49. The directors must cause true accounts to be kept of
- a) all money received and spent, and the matter in respect of which receipt and expenditure takes place, and
 - b) the assets and liabilities of the Association.

The books of account must be kept at the registered office of the Association or at another place the registrar approves in writing or, if the Association's rules permit, may be kept for temporary purposes at a place or places the directors think fit.

50. The accounting records of an Association must be open to the inspection of any director during the normal business hours of the Association.

Subject to the rules, the directors may determine to what extent, at which times and places and under what conditions the accounting records of the Association must be open to the inspection of members.

51. Every Association must have an auditor.

An Association, at each annual general meeting, must appoint an auditor by *ordinary resolution* to hold office until the close of the next annual general meeting,

Rules of the Otter Point Recreational Cooperative Association

but if an appointment is not made at the meeting, the auditor in office continues as auditor until a successor is appointed.

The directors may fill any casual vacancy in the office of auditor.

52. 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.

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

53. The directors must report to each annual general meeting the state of the Association's financial affairs and the amounts, if any, which they recommend to be paid by way of dividend or patronage return.

54. The directors must apply surplus funds arising from the operation of the Association in a financial year as follows:
- a) first, to the reserves required by the rule for reserves (below);
 - b) next, to retire all or a portion of any deficit previously incurred by the Association, as the directors determine is appropriate;
 - c) last, to patronage returns or dividends as recommended by the directors.

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.

Indemnity (Section 55)

55. Subject to the Act (Indemnification prohibited), an Association may do one or both of the following:
- a) indemnify an eligible party against all eligible penalties to which the eligible party is or may be liable;
 - b) after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding.

Disputes (Section 56)

56. 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 Dispute Resolution of the Regulations.

Rules of the Otter Point Recreational Cooperative Association

An arbitration referred to in the rule above must be commenced in accordance with the Act. If notice is provided to a director under this paragraph, that director must promptly provide the Association with a copy of the notice.

Service documents FROM and TO the Association Notices (Sections 57 – 58)

57. Unless otherwise specified in the Act or the Regulations, any notice required to be given to a director or member or any other person must be in writing and is sufficiently given if it is
- a) delivered personally,
 - b) delivered to the person's last known address, as recorded in the Association's register of members or other record of the Association,
 - c) 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,
 - d) sent to the person by facsimile transmission to a telephone number provided for that purpose,
 - e) emailed to the email address provided by a member for the purposes of receiving notices from the Association, Or (Added August 23rd, 2020)
 - f) served in accordance with the Regulation (Service by the Association and service on the Association).

Unless otherwise specified in the Act or the Regulations, any notice required to be given to the Association must be in writing and is sufficiently given if it is

- a) delivered to the registered office of the Association,
- b) mailed to the registered office of the Association by prepaid mail,
- c) sent by facsimile transmission to a telephone number provide for that purpose,
- d) serviced in accordance with the Act.

A member must provide the Association with an email address for the purposes of receiving notices from the Association in accordance with this Rule 57. (Added August 23rd, 2020)

58. A notice given in accordance with the Regulation is deemed received when it is delivered.

A notice given in accordance with the Regulation is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

A notice given in accordance with the Regulation is deemed to be received at the time the notice is sent by facsimile.

Rules of the Otter Point Recreational Cooperative Association

The date of an email will be the start date of any required days' notice. (Added August 23rd, 2020)

The Seal (Section 59)

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

Alteration of Rules (Section 60)

60. Amendments to the memorandum and Rules of the Association must be in accordance with the Act and the Regulation.

Special Vs. Ordinary Resolutions (Appendix 1)

Special Resolution
Must be written on "Form 6" (refer to co-operative regulations) and requires 66 2/3% of votes to pass. ***
Amendment of memorandum and rules Section 68 (2) of the Act – must be filed with registrar
No pledge or disposition of Association's undertaking without consent Section 71 (2) of the Act – must be filed with registrar
Amalgamation Section 191 (3) (a) of the Act – must be filed with registrar
Application for voluntary dissolution Section 197 (1) (a) of the Act – must be filed with registrar
Removal of a Director Section 118 of the Regulation
Maximum investment of funds Section 153 (1) of the Regulation
Appeal of termination of membership Section 37 of the Act
Readmission to membership Section 39 of the Act
Share without par value Section 51(2) of the Act

Rules of the Otter Point Recreational Cooperative Association

No pledge or disposition of Association's undertaking without consent Section 71 (1) of the Act
Approval of contracts and transactions (where Directors have voted not to approve) Section 90 (4) of the Act
Appointment of an inspector to investigate Association Section 159 of the Act
Voluntary dissolution Section 197 (1) of the Act

Ordinary Resolution
Requires a simple majority (50% +) to pass at a general meeting (where at least 14 days' notice has been given).
Special Business (Rule 55 of the Regulation) Section 57 of the Regulation.
All motions (unless required by the Act or Regulation) Section 80 of the Regulation.
Change to number of Directors Section 105 (2) of the Regulation.
Vote for a Director is there are none Section 115 (6) of the Regulation.
Fill a vacancy created by the removal of a Director Section 118 of the Regulation.
Appointment of an Auditor Section 108 (3) of the Act.
Remuneration of the Auditor Section 112 of the Act.
Removal of the Auditor prior to the end of the term Section 113 of the Act.
Reasonable restrictions on examination of records (not a Director) Section 131 of the Act.
Appeal of termination of membership Section 37 of the Act.

Rules of the Otter Point Recreational Cooperative Association

Cross-reference OP rules with provincial acts & regulations (Appendix 2)

Act

Part 1 – Interpretation (Regulation) – January, 2001

Board or ‘the directors’

Part 1 – Interpretation (Regulation) – January, 2001

Call Joint Member Member Part 1 – Interpretation and Application of the Act – July, 1999 Officer Quorum of the board Ordinary Resolution Special Resolution Membership (Section 2)

Part 1 – Interpretation and Application of the Act – July, 1999

Part 1 – Interpretation and Application of the Act – July, 1999

Part 1 – Interpretation and Application of the Act – July, 1999

Section 128 of the Regulation – January, 2001

Part 1 – Interpretation and Application of the Act – July, 1999

Section 5 of the Regulation – January, 2001

Section 7 of the Regulation – January, 2001

Section 9 of the Regulation – January, 2001

Section 6 of the Regulation – January, 2001

Section 8 of the Regulation – January, 2001

Section 18 of the Regulation – January, 2001

Withdrawal or Termination of Membership (Sections 3 – 4) Withdrawal from membership Grounds for termination of membership Transfer of Shares (Section 5) An instrument of transfer of any shares in the Association must

Section 11 of the Regulation – January, 2001

Section 15 of the Regulation – January, 2001

Section 38 of the Regulation – January, 2001

Section 39 of the Regulation – January, 2001

Section 40 of the Regulation – January, 2001

Section 41 of the Regulation – January, 2001

Section 42 of the Regulation – January, 2001

Death or Bankruptcy (Section 6)

Section 13 of the Regulation – January, 2001

Section 43 of the Regulation – January, 2001

Section 44 of the Regulation – January, 2001

Section 45 of the Regulation – January, 2001

Shares (Sections 7 – 11)

Section 27 of the Regulation – January, 2001

Section 28 of the Regulation – January, 2001

Section 29 of the Regulation – January, 2001

Section 30 of the Regulation – January, 2001

Section 57 of the Act – July, 1999

Lien (Section 12) Forfeiture Of Shares (Sections 13 – 15)

Section 56 of the Act - July, 1999

Section 31 of the Regulation – January, 2001

Section 32 of the Regulation – January, 2001

Section 33 of the Regulation – January, 2001

Rules of the Otter Point Recreational Cooperative Association

General Meetings (Sections 16 – 25)

Section 143 (2) of the Act – July, 1999
Section 145 of the Act – July, 1999
Section 150 of the Act – July, 1999
Section 151 (1) and 151 (2) of the Act – July, 1999
Section 146 of the Act – July, 1999
Section 69 of the Regulation – January, 2001
Section 72 of the Regulation – January, 2001
Section 73 of the Regulation – January, 2001
Section 70 of the Regulation – January, 2001
Section 71 of the Regulation – January, 2001
Section 74 of the Regulation – January, 2001
Section 56 of the Regulation – January, 2001
Section 57 of the Regulation – January, 2001
Section 64 of the Regulation – January, 2001
Section 65 of the Regulation – January, 2001

Voting (Sections 26 – 33)

Section 80 of the Regulation – January, 2001
Section 42 (1) of the Act – July, 1999
Section 81 of the Regulation – January, 2001
Section 40 (4) of the Act – July, 1999
Section 43 (2) of the Act – July, 1999
Section 43 (7) of the Act – July, 1999
Section 98 of the Regulation – January, 2001
Section 100 of the Regulation – January, 2001
Section 99 of the Regulation – January, 2001
Section 82 of the Regulation – January, 2001
Section 89 of the Regulation – January, 2001

Directors (Sections 34 – 46)

Section 105 of the Regulation – January, 2001
Section 72 of the Act – July, 1999
Section 107 of the Regulation – January, 2001
Section 114 (3) of the Regulation – January, 2001
Section 146 of the Regulation – January, 2001
Section 109 of the Regulation – January, 2001
Section 148 (1) of the Regulation – January, 2001
Section 115 of the Regulation – January, 2001
Section 118 of the Regulation – January, 2001
Section 72 (2) of the Act – July, 1999
Section 80 of the Act – July, 1999
Section 82 of the Act – July, 1999
Section 148 (2) of the Regulation – January, 2001
Section 84 of the Act – July, 1999
Section 76 (2) of the Act – July, 1999
Section 136 of the Regulation – January, 2001
Section 137 of the Act – July, 1999
Section 128 of the Act – July, 1999
Section 120 of the Regulation – January, 2001
Section 119 of the Regulation – January, 2001
Section 130 of the Regulation – January, 2001
Section 132 of the Regulation – January, 2001

Rules of the Otter Point Recreational Cooperative Association

Directors' Power To Make Regulations (Section 47)

Section 76 of the Act – July, 1999
Section 147 of the Regulation – January, 2001
Section 142 of the Regulation – January, 2001

Financial (Section 48)

Section 151 of the Regulation – January, 2001
Section 152 & 153 of the Regulation – January, 2001

Assessments and Calls (Sections 49 to 54)

Section 138 (1 and 2) of the Act – July, 1999
Section 138 (3 and 4) of the Act – July, 1999
Section 108 of the Act – July, 1999
Section 63 of the Regulation – January, 2001
Section 156 of the Regulation – January, 2001
Section 162 of the Regulation – January, 2001
Section 157 of the Regulation – January, 2001
Section 158 of the Regulation – January, 2001

Indemnity (Section 55) Disputes (Section 56)

Section 98 of the Act – July, 1999
Section 166 of the Regulation – January, 2001
Section 167 of the Regulation – January, 2001

Service documents FROM and TO the Association Notices (Sections 57 – 58)

Section 175 of the Regulation – January, 2001
Section 176 of the Regulation – January, 2001
Section 177 of the Regulation – January, 2001

The Seal (Section 59) Alteration of Rules (Section 60) Alteration of Rules (Section 60)

Section 186 of the Regulation – January, 2001
Section 189 of the Regulation – January, 2001
Regulation – January, 2001