

Fairlea Park Housing Co-operative Inc.

BYLAW NO. 40

DIRECTOR ARREARS

This By-law replaces previous By-law(s) # not applicable

1.0 Who Can Act as a Director

- (a) The Act contains rules for who can and cannot be a Director. They are repeated here:
 - i. To be a Director, a person must be eighteen (18) years or older and a member of the Co-op.
 - ii. A majority of Directors must be persons who
 - are Canadian citizens or hold permanent resident status and
 - are ordinarily resident in Canada.
 - iii. A person who is an undischarged bankrupt cannot be a Director.
 - iv. No person who is unable to manage property within the meaning of the Ontario *Substitute Decisions Act, 1992* can be a Director.
- (b) A person automatically ceases to be a Director when they become disqualified under paragraph (a) i, iii or iv.
- (c) No one who is in arrears of housing charges or is behind in their financial obligations to the Co-op for any reason can be a Director of the Co-op, whether or not they have signed a repayment or performance agreement.
- (d) A person who ceases to be a Director under paragraph (e) or (f) may not be re-elected or reappointed to the Board for a period of two full years from the date on which they cease to be a Director.
- (e) All Directors must pay their housing charges or other money due to the Co-op in full and on time. If a Director is in arrears, the Co-op will give the Director written notice of this. The Director will have seven (7) calendar days after the day the notice is given to pay the arrears in full. Subject only to (f) below, the Director will automatically cease to be a Director at the end of the notice period if they have not paid the arrears in full, whether or not they have signed a repayment or performance agreement.
- (f) If the Director disputes the amount owing, the Director can
 - i. pay the full amount set out in the arrears notice and remain on the Board until the Board has reviewed the matter. The Director will not participate any decisions on this matter. If the Board finds that there was an error in the notice and that the Director has overpaid, the Co-op will refund to the Director the excess amount paid; or
 - ii. give the Co-op written notice of the dispute by the earlier of the beginning of the next scheduled board meeting or the end of the notice period. The Board will review the matter at its first meeting

after the 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 right after the Board makes its finding, unless the full amount due 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 Director will cease to be a Director at the end of that meeting.

- (g) The written notice to the Director can be given in the form attached to this By-law, but an ordinary arrears notice or any other written notice will also start the notice period. The notice will be given by the office. Prior approval from the Board is not needed.

PASSED by the Board of Directors and sealed with the corporate seal of the Co-op on
July 2nd, 2014.

President

(corporate seal here)

Secretary

CONFIRMED by at least two-thirds of the votes cast at a General Meeting of the
Members on March 31, 2015.

President

(corporate seal here)

Secretary

Schedule A
Notice to Director in Arrears

TO: _____
Name

Our records show that at the date of this notice you owe the Co-op \$_____.

Under the Co-op's by-laws, you have up to seven (7) calendar days from the day following the date of this notice to pay this amount in full. If it is not paid in full by _____, you will no longer be a member of the Board of Directors. You will remain a member of the Co-op and subject to the Co-op's rules about arrears.

Please note that having a repayment or performance agreement, or asking for one, will not allow you to remain on the Board. To remain on the Board you must pay the amount you owe in full.

A copy of the section of the by-law on Director arrears is attached to this notice or is available from the Co-op. It explains what to do if you believe the amount in this notice is not correct.

For more information about the amount owing or to make arrangements to pay it, please see the Co-op's Administrator.

Signature

Name

Title

Date of this Notice