FREQUENTLY ASKED QUESTIONS (FAQ)

The property of Harry Sherman Crow Housing Co-operative Inc. (the "HSC Co-op"), including the housing project (the "HSC Housing Project"), is currently being managed by the receiver-manager, TDB Restructuring Limited ("TDB" or "the Receiver"). TDB was appointed to serve as Receiver and manager by order of the Ontario Superior Court of Justice (the "Court").

In keeping with directions provided by the Court, the Receiver is taking steps to engage with the members of the HSC Co-op to provide information about co-operative corporations ("Co-ops"), particularly housing Co-ops, and the HSC Co-op, its current status, and the receivership administration. The Court's directions also include engaging with the membership to canvas whether members of the HSC Co-op have an interest in, and are suitably qualified to, constitute a new board of directors that, if elected by the membership, could oversee the operation and management of the HSC Housing Project when the Receivership comes to an end.

This document has been prepared by the Receiver, in consultation with the City of Toronto (the "City"), the Co-operative Housing Federation of Toronto ("CHFT"), and the Co-operative Housing Federation of Canada ("CHFC"). It shares the information with the members by setting out key questions that the Receiver, the City, CHFT, and CHFC, anticipate members may have and answers them.

Please note, the information set out in this FAQ is not intended as legal advice, and readers should not rely upon it for that purpose.

Non-Profit Housing Co-ops and the HSC Housing Project

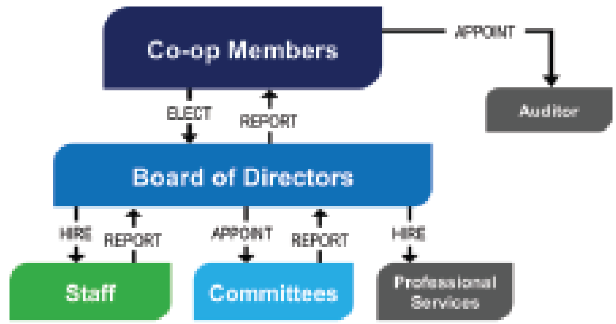
- *What is a non-profit housing Co-op?*

Co-operative housing is a unique form of rental housing. People join housing Co-ops because they want housing that is: decent, affordable, and secure. Non-profit Co-ops are distinct from other types of Co-ops. People who live in non-profit Co-ops do not invest their own money and therefore have no ownership interest in the corporation. The HSC Co-op is a non-profit housing Co-op.

- *How are non-profit housing Co-ops traditionally run?*

Co-ops are self-governed by its members. The people who live in the Co-op are its members. The members are responsible for managing the Co-op in a manner that is consistent with the *Co-operative Corporations Act* (the "CCA"), any properly enacted corporate by-laws, and any other applicable legislation.

Each member has one vote. Members elect a board of directors from amongst themselves. The elected board of directors oversees the running of the Co-op. Most boards hire staff or retain a property management company to do their day-to-day work. The members themselves make certain big decisions. These decisions include setting the annual housing charges (rents), approving by-laws, and appointing auditors to conduct annual reviews of the Co-op's finances.



Co-ops rely on members volunteering their time on the board of directors, or on Co-op committees.

- *What are the HSC Co-op's responsibilities in relation to the HSC Housing Project?*

The HSC Co-op was developed in the early 1990s under a provincial government program. It operates the "housing project" – the residential units and facilities in the buildings at 51 The Chimneystack Road, on lands that it leases from York University. At the end of the lease, the rental buildings will vest in the landlord.

The HSC Housing Project is designated as a non-profit, full assistance housing program under the *Housing Services Act, 2011* (the "HSA") and its regulations. The HSC Co-op is responsible for operating the HSC Housing Project. It is considered a "housing provider" under the HSA. Its responsibilities include: (i) ensuring that the HSC Housing Project is well managed, maintained in a satisfactory state, and fit for occupancy; (ii) in relation to the HSC Housing Project, the collection of rent and the administration of leases; (iii) the provision of information to the body responsible for overseeing the HSC Co-op – the "Service Manager"; and (iv) the preparation and implementation of plans related to its own governance and operations, in keeping with the applicable laws.

- *Does the HSC Co-op have to make RGI units available?*

Yes. The HSC Co-op is currently required to maintain a minimum of 90 Rent-Geared-to-Income (or "RGI") units in accordance with the HSA.

- *Does the HSC Co-op receive funding to help cover the costs associated with operating the HSC Housing Project?*

Yes. Under the HSA, the HSC Co-op is entitled to receive various forms of subsidy – (1) an operating subsidy; (2) a rent subsidy in relation to the number of RGI units it makes available; and (3) a property tax subsidy. The funding it is entitled to receive is set out in the HSA and its associated regulations. This funding supplements the revenue that the HSC Co-op generates from the rent it collects from its members.

- *What role does the City of Toronto play in relation to the HSC Co-op and the HSC Housing Project?*

The City is the Service Manager responsible for administrating, monitoring, and funding housing provider operations under the HSA.

When a Service Manager, in the course of monitoring housing provider operations, identifies one or more instances of a housing provider failing to meet its obligations under the HSA, these failures are called “triggering events” – the Service Manager then take steps to address these triggering events.

The Current Status of the HSC Co-op and the Receivership Proceeding

- *What is the current status of the HSC Co-op?*

In the course of monitoring the operations of the HSC Co-op, the City identified that there were several issues with how the HSC Housing Project was being operated. These issues were brought to the attention of the HSC Co-op’s board of directors in 2020 and 2021, ultimately resulting in the issuance of a **Notice of Triggering Events** in March 2021. When the identified issues persisted, the City brought an application to Court asking that the Court appoint a receiver-manager over HSC Co-op.

The Court approved the City’s application and appointed TDB as the receiver-manager of HSC Co-op. The costs of the Receiver are the responsibility of the City in its capacity as Service Manager.

Information about the appointment of the Receiver, including the Court Order appointing the Receiver, can be found at the following website address: https://tdbadvisory.ca/insolvency-case/harry-sherman-crowe-housing-co-operative-inc/.

- *Who is the Receiver?*

TDB (formerly known as RSM Canada Limited) was appointed by the Court on March 14, 2023, over all of the property of the HSC Co-op. TDB is a financial advisory firm whose principals are licensed insolvency trustees. The Receiver is an officer of the Court and has a duty to consider the interests of all stakeholders, which includes, but is not limited to, the City, the members and residents of the HSC Co-op and the HSC Housing Project, York University, and creditors of the HSC Co-op.

- *What is the Receiver’s Job?*

The Receiver has “stepped into the shoes” of the HSC Co-op, taking over the management of the operations of the HSC Co-op from the prior board of directors to address the issues that gave rise to its initial appointment. The activities of the Receiver during its appointment over the HSC Co-op include: (i) reviewing the HSC Co-op’s financial records and documents and attending to all corporate and tax filings, and reporting to the City, as required; (ii) directing and instructing the property manager, Community First Developments Inc., to manage the building, including day-to-day operations and addressing tenant concerns; (iii) reconciling and managing all of the rental income, operating, rental and capital improvement subsidies; (iv) applying for special capital improvement funds on behalf of the HSC Co-op for the purpose of certain repairs and improvements, such as elevator improvement, parking lot re-paving, roof replacement, and more, and managing the construction and repair projects on behalf of the HSC Co-op; and (v) communicating with various stakeholders or interested persons, including residents, the City, York University and others, including providing reports to the Court.

Information about the Receiver's role and the work the Receiver has done to date, as reviewed and approved by the Court, can be found at the following website address: https://tdbadvisory.ca/insolvency-case/harry-sherman-crowe-housing-co-operative-inc/.

- *How long will the Receivership Last?*

There is no anticipated end date for the Receivership.

The Receiver sought and was granted permission from the Court to implement a process and to develop a plan for how and when the transition out of the Receivership might be achieved. This process involves sharing information with the HSC Co-op's membership about how Co-op's operate, the Receivership, and about what running the HSC Co-op will entail. Once that information sharing process is complete, the process also involves canvassing whether members of the Co-op have an interest in, and are suitably qualified, to constitute a new board of directors to oversee the operations and management of the Co-op.

This Court approved process is referred to as a **R**equest **F**or **E**xpressions of **I**nterest and **Q**ualifications or "**RFEIQ**". A copy of the RFEIQ process can be found as Schedule "A" to this FAQ document and at the following website address: https://tdbadvisory.ca/insolvency-case/harry-sherman-crowe-housing-co-operative-inc/.

The RFEIQ Process

- *How will the information be shared with the membership?*

This FAQ document has been prepared and will be made available to the membership.

In addition, the Receiver will arrange for a Town Hall to explain to the Co-op members the purpose and implementation of the RFEIQ Process and the status of the Receivership in relation to governance. The Receiver will invite members of CHFT and/or CHFC to answer questions about Co-op governance and to explain the purpose and implementation of the RFEIQ.

- *Who can attend the Town Hall?*

All members of the Co-op are invited to attend.

The Role of the Co-op's Board of Directors

- *What responsibilities does a member of a Co-op's board of directors have?*

An information package setting out the role that a member of a Co-op's board, what responsibilities they have, what qualifications they have to meet, and what commitments they have to make, is attached as Schedule "B" to this FAQ document, and at the following website address: https://tdbadvisory.ca/insolvency-case/harry-sherman-crowe-housing-co-operative-inc/om.

- *Do volunteer board members get paid for their service?*

No. It is a volunteer position.

- *I'm interested in volunteering to serve on the HSC Co-op's board of directors, what should I do?*

The steps that anyone interested in volunteering should take are set out in the RFEIQ process.

At the conclusion of the Town Hall, members will be given information as to how to obtain and submit an Expression of Interest and Qualifications Form (an "EIQ Form") for the purpose of declaring their interest in serving as a potential member of the Board. These forms must be submitted to the Receiver by email at info@tdbadvisory.ca by no later than 5 p.m., 30 days after the Town Hall, the date for which will be announced shortly.

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SCHEDULE	Document
A.	RFEIQ Process
B.	Information About Serving on a Co-op Board

SCHEDULE “A”

Court File No. CV-22-00688248-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

B E T W E E N:

CITY OF TORONTO

Applicant

- and -

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

REQUEST FOR EXPRESSIONS OF INTEREST AND QUALIFICATIONS PROCESS

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 14, 2023, RSM Canada Limited was appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Harry Sherman Crow Housing Cooperative Inc. (“**HSC**” or the “**Co-op**”) acquired for, or used in relation to, a business carried on by HSC, including all proceeds thereof. On March 1, 2024, the Court granted an omnibus order substituting the name TDB Restructuring Limited in place of RSM Canada Limited as Receiver.

2. As described in the Receiver’s Second Report to the Court dated April 30, 2025, the Receiver proposes a process to provide information and canvass whether members of the Co-op have an interest in, and are suitably qualified, to constitute a new board of directors to oversee the operations and management of the Co-op (the “**RFEIQ Process**”), in accordance with the requirements of the *Co-Operative Corporations Act* (the “**Co-Op Act**”).

Summary of Timeline

Information Phase	
Within 21 days of Commencement Date (defined below)	Make RFEIQ Process and "FAQ" available to Members (as defined below)
Within 45 days of Commencement Date	Hold Town Hall meeting to further explain RFEIQ Process and status of Receivership to Members
Solicitation Phase	
30 days after Town Hall	Deadline for interested persons to submit Expression of Interest and Qualifications form ("**EIQ Form**")
45-day period after Town Hall	Receiver may, but is not required, to extend the deadline for an additional 15 days to assist interested persons who were unable to meet the deadline or whose EIQ Form was incomplete in re-submitting an EIQ Form
Preliminary Reporting Phase	
Within 75 days after Town Hall	Receiver to arrange case conference for the purpose of delivering report about the conduct of the RFEIQ to date, about the EIQ Forms received, and if appropriate, provide recommendations, seek further directions, or approvals from the Court.

Role of the Receiver

3. The RFEIQ Process will be administered by the Receiver. The roles and responsibilities of the Receiver are described in further detail throughout this RFEIQ Process.

4. In administering the RFEIQ Process, the Receiver shall consult with the City of Toronto, the Co-operative Housing Federation of Canada ("**CHFC**") and Co-operative Housing Federation of Toronto ("**CHFT**"), including with respect to information to include in the FAQ (as defined below), objective qualifying questions to include on the EIQ Form, and generally about the Town Hall meeting (as defined below).

Commencement of RFEIQ Process – Information Phase

5. The RFEIQ Process shall commence upon the date of the issuance of an Order (the "**RFEIQ Order**") of the Court approving the RFEIQ Process (the "**Commencement Date**").

6. Within 21 days of the Commencement Date, the Receiver will make the RFEIQ Order available to all members of the Co-op (the "**Members**") by email, where available, and posting a notice in a conspicuous place at the Co-op's premises directing Members to the Receiver's case website for this Receivership proceeding (the "**Case Website**"), or through any other means the Receiver deems appropriate.

7. The Case Website will have the following documents available for download:

(a) The RFEIQ Order;

(b) This RFEIQ Process document;

(c) An information document that provides information regarding the Receivership, the Co-op's status, and the purpose of the RFEIQ Process, including information about qualifications, duties and responsibilities for serving as a director of the Co-op ("**FAQ**"); and,

(d) Particulars for the Town Hall meeting as described herein.

8. Within 45 days of the Commencement Date, the Receiver shall hold an information meeting for the Members (the "**Town Hall**"). The purpose of the Town Hall will be to provide Members with an update as to the status of the Receivership in relation to governance and to explain the purpose and implementation of the RFEIQ Process. Information regarding the status of repairs and other operational issues will not be addressed by the Receiver at this Town Hall. The Receiver shall invite members of CHFC

and/or CHFT to answer questions regarding the Co-Operative housing principles and expectations in relation to governance of the Co-op.

9. The Receiver, in consultation with City of Toronto, CHFC, and/or CHFT, may use its discretion in determining logistics for the Town Hall, including but not limited to time and place, participation by video or telephone, and conduct of the Town Hall. The Receiver shall be authorized to control, at its sole and unfettered discretion, participation and attendance at the Town Hall for the purpose of encouraging open, civil and respectful discourse for the benefit of the Members, generally.

10. At the conclusion of the Town Hall, the Receiver shall provide all Members with information as to how to obtain and submit an EIQ Form for the purpose of declaring their interest in serving as a potential board member of the Co-Op. Submission of a completed EIQ Form is not a commitment to serve, nor is it determinative of whether an applicant is eligible to serve. The Receiver shall have EIQ Forms available and to members following the Town Hall, either to download from the Case Website, or through any other means the Receiver deems appropriate.

Implementation of RFEIQ Process - Solicitation Phase

11. Subject to paragraph 12 below, the deadline for interested Members to submit a completed EIQ Form shall be 30 days after the Town Hall (the "**EIQ Deadline Date**"). EIQ Forms must be submitted to the Receiver by email to info@tdbadvisory.ca no later than 5:00 p.m. on the EIQ Deadline Date. The Receiver may, but is not required to, accept EIQ Form submissions that are provided in a manner other than in accordance with this RFEIQ Process.

12. The Receiver shall review the EIQ Forms and identify any issues or concerns that the Receiver believes may be inadvertent or may require clarification. The Receiver may communicate with and assist any prospective candidates who were unable to meet the EIQ

Deadline Date or whose EIQ Forms were incomplete. If appropriate, the Receiver may extend the EIQ Deadline Date for an additional 15 days whereby the Member may resubmit or amend their EIQ Form.

13. Any EIQ Form that is not submitted to the Receiver in accordance with this RFEIQ Process need not be considered, provided that the Receiver, in its sole and unfettered discretion may, but is not required to, accept EIQ Form submissions that are provided in a manner other than in accordance with this RFEIQ Process. An EIQ Form that is submitted in accordance with this RFEIQ Process, or is otherwise accepted by the Receiver, shall be deemed to be an "**EIQ Submission**".

14. The Receiver shall review all EIQ Forms solely for the purpose of confirming and evaluating the objective qualifications for candidacy as a potential director of the Co-op. In conducting its review, the Receiver shall consider:

(a) the Co-op's Articles of Incorporation and By-Laws;

(b) the Co-Op Act, and regulations made thereunder;

(c) the *Housing Services Act, 2011* (the "**HSA**"), and regulations made thereunder; and,

(d) any guidelines, recommendations and input from CHFC and CHFT.

15. Within 75 days following the Town Hall, the Receiver shall:

(a) deliver a report (the "**RFEIQ Process Report**") about the conduct of the RFEIQ to date, about the EIQ Forms received, and if appropriate, provide recommendations, seek further directions, or approvals from the Court. The RFEIQ Process Report shall not name or identify any individuals that participated in the RFEIQ Process. The RFEIQ Process Report shall not offer any subjective views or assessments with respect to any person that has submitted an EIQ Form; and,

(b) arrange for a case conference with the Court for the purpose of delivering the RFEIQ Process Report and if necessary, for the scheduling of a motion for advice and directions with respect to the RFEIQ Process Report and any recommendations contained therein.

16. The Receiver may, in its reasonable discretion, extend or adjust any of the timelines or dates set out in this RFEIQ Process, or waive compliance with any provision in this RFEIQ Process, as may be required to best achieve the purpose of the RFEIQ Process.

SCHEDULE "B"

A housing co-op's board of directors is legally responsible to manage or supervise the management of the business of the co-op. Whoever sits on the board of directors can determine the success of the co-op. It is therefore a very important role.

Co-op members elect the board directors to perform this important role.

To help provide a better sense of what serving on a Co-op Board of Directors involves, please find below:

- An explanation of the Role of the Board of Directors,
- The Ethical Conduct Agreement and the Confidentiality and Conflict of Interest Agreement that anyone serving on an elected Board of Directors would be expected to sign and abide by.
- The qualifications that one must meet to serve on a Co-op Board of Directors.

Role of the Board of Directors

(As set out in the model Organizational Bylaw for Ontario Co-ops, made available by CHFC)

9.1 Duties of Board of Directors

The board is responsible for the good governance of the co-op. The board supervises the management of the co-op. It can use all the powers of the co-op, unless the *Co-op Act* or the by-laws say that a members' meeting is needed to decide on something. Some of the board's duties are to:

(a) **Members**

- approve or refuse membership applications
- call members' meetings and present an agenda to the members
- report to the members on the activities of the board and committees
- pay attention to the community needs of the members
- make sure that education about co-operatives is available to members

(b) **Finances**

- oversee the financial affairs of the co-op
- present a budget to the members
- make financial decisions for the co-op within the budget and by-laws
- arrange for long-term financial planning based on expected future needs of the co-op
- make sure the co-op has a current building condition assessment, a current reserve fund study and an asset management plan
- report to the members on the co-op's finances

(c) **Maintenance**

- ensure that the co-op’s property is well maintained and repairs are done when needed
- make sure that the system for responding to member work orders operates efficiently

(d) **Risk management**

- make sure the co-op has appropriate insurance for the co-op property and for co-op liability
- make sure that other kinds of insurance are maintained if prudent and cost- effective, such as directors’ and officers’ liability insurance and employee and contractor dishonesty insurance or bonding
- evaluate long-term maintenance contracts for co-op equipment
- make sure the co-op has a disaster relief plan
- arrange for all required fire plans
- make sure the co-op’s electronic records and data are backed up and protected

(e) **Organization**

- make sure that co-op by-laws are reviewed regularly
- have a clear outline of the responsibilities of committees and staff
- direct and co-ordinate the activities of committees
- involve the co-op in the broader co-operative movement and in the local community

(f) **Staffing**

- deal with staffing as stated in Article 16 (Staffing)

9.2 Committees and Staff

The board can arrange for things to be done by committees or staff. The board has to supervise them. The board has final responsibility and can overrule committees or staff.

9.3 Powers of Individual Directors

The board of directors can act only by a decision of the board as a whole. Individual directors have no authority to act except as stated in a by-law or as authorized by a decision at a board meeting.

Director’s Ethical Conduct Agreement

(As set out in the model Organizational Bylaw for Ontario Co-ops, made available by CHFC)

TO: Harry Sherman Crowe Housing Co-operative Inc.

I agree to be a director of the co-op and to do my best to forward the interests of the co-op and the members and the other stakeholders in the co-op.

1. I am at least 18 years old am not bankrupt or incapable of managing property under the Substitute Decisions Act.

BOARD PROCEDURES

2. CROSS OUT ONE:

(a) I will accept notices to directors by electronic mail.

(b) I will NOT accept notices to directors by electronic mail.

DUTIES OF A DIRECTOR

3. I will perform my duties as a director honestly, in good faith and in the best interest of the co-op rather than in my personal interest.

4. I will use the care, diligence and skill of a reasonably prudent person in performing my duties as a director.

5. I will sign and comply with the co-op’s Confidentiality and Conflict of Interest Agreement and all legal and government requirements about confidentiality, privacy and conflict of interest.

6. I will always give the board any information requested by the board. I will return confidential papers to the co-op when requested. I will delete confidential materials from my computers and electronic devices when requested. When I am no longer on the board, I will return all co-op papers and property to the co-op and I will delete confidential materials from my computers and electronic devices.

7. I will attend all board and members’ meetings unless excused by the board based on advance notice of absence.

8. I will prepare for board meetings and act constructively at all board meetings.

9. I will participate in all training programs as decided by the board.

ACTING AS A BOARD

10. I understand that the board acts as a whole. If I disagree with something the board is considering, I will say so at a board meeting. Once the board has made a decision, I will support that decision or remain silent.

11. I understand that directors can act only by a decision at a proper board meeting. Between
meetings I have no authority unless the board has given me authority to do something, such as to sign a document.

12. I understand that even if the board has given me responsibility for something, the final authority and responsibility stays with the board.

13. I understand that, if I am an officer or a member of a committee, my duties must be performed as directed by the board and within any limits set by the board.

RESPECT FOR OTHERS

14. As a director I will remain open to other points of view and options. I will not act defensively when directors or members question or disagree with my point of view.

15. I will do my best to work together with the other directors for the good of the co-op. I will
not let personal dislikes or grudges affect my conduct or decisions.

16. I will never make statements which in any way harm, put down or show a lack of respect for other directors, members or staff.

17. I will never make statements, take actions or harass anyone in any way that is prohibited under the Ontario Human Rights Code.

18. I will make any complaints I may have about the co-op or the co-op's staff only to other directors. I will bring any concerns I may have to the attention of the board.

19. I will support the co-op's staff as they carry out their duties and not say or do anything that might cause them to lose respect among the membership or other staff.

DUTIES OF A MEMBER

20. I will perform my duties as a co-op member. I will comply with the by-laws of the co-op.

21. I will not be in arrears while I am a director.

I have read and understood this Agreement and I agree that I will follow it. I understand that, if I break this Agreement, the board of directors can follow the procedure stated in the Organizational By-law to remove me as a director.

Date: ______________________________ Signature: ________________________

Print name:

Confidentiality and Conflict of Interest Agreement

(As set out in the model Organizational Bylaw for Ontario Co-ops, made available by CHFC)

TO: Harry Sherman Crowe Housing Co-operative Inc.

I am signing this Agreement as a director, officer, committee member or staff member of the co-op.

CONFIDENTIALITY

1. I understand that this Agreement applies to
   (a) Personal information about co-op members and applicants.
   (b) Confidential information about co-op staff.
   (c) Confidential information about the co-op or co-op business.

2. I understand that the above is considered confidential information even if I learn about it from a source unrelated to my position with the co-op and even if it is publicly available.

3. I will not tell anyone any confidential or personal information

   - that I know through my position with the co-op
   - that I learn at meetings related to my position with the co-op, or
   - that I know about in any other way.

4. I will not disclose, or permit disclosure of, any confidential or personal information in any other way.

5. I will safeguard confidential or personal information that I may have.

6. The only exception is when I am authorized by the board or the co-op by-laws to disclose the information. If I am not sure whether information should be kept confidential, I will ask the board for a decision about it.

7. I agree that the above obligations apply while I have my position with the co-op and after I no longer have that position or any connection with the co-op.

8. I will always give the board any information requested by the board. When I no longer have my position with the co-op, I will return all co-op papers and property to the co-op.

9. While I have a position with the co-op, I will not gossip about the co-op or its members or employees.

CONFLICT OF INTEREST

10. Whenever I am involved in a decision or action of the co-op, I will put the best interests of the co-op ahead of my personal interests and the interests of my relatives and friends.

11. A conflict of interest is where I take part in a decision that benefits me or a relative or friend in a way that is different from most co-op members.

12. I understand that some conflicts of interest are prohibited and some situations are manageable as stated in the Organizational By-law.

    - **Prohibited conflicts**. I will not become involved in any conflict of interest that is prohibited.
    - **Manageable situations.** If I am involved in a potential conflict that is manageable, I will follow the applicable rules as stated in the co-op's Organizational By-law.

13. I promise that I will declare any conflict of interest or situation that could become a conflict of interest as stated in the Organizational By-law. If there is any doubt, I will report the situation to the board, or any committee that I am on, and they will decide if it is a conflict of interest.

14. I promise that I will abide by the conflict of interest rules and definitions in the Organizational By-law. I promise to ask if I have any questions or there is anything I don't understand.

15. I also agree to abide by any legal and government requirements about conflict of interest that are not included in co-op by-laws.

GENERAL

16. I understand that this Agreement is a binding legal document and I have had the opportunity to obtain legal or other advice before signing it.

Date: ______________________________ Signature: ________________________________

Qualifications for who can be a director

(found in section 7.2 of the model Organizational Bylaw for Ontario Co-ops, made available by CHFC)

(a) *Co-op Act requirements* - Directors have to be
- members of the co-op,
- at least 18 years old and,
- may not be bankrupt or incapable of managing property under the *Substitute Decisions Act*.

(b) Good financial standing
- Members who are in arrears may not be elected or appointed as directors.

(c) Members of same household
- Two or more members who occupy the same unit may not be directors at the same time.

(d) Relatives
- Two or more members who are relatives cannot be directors at the same time.
- Someone is considered a relative of someone else if that person is related by blood, marriage or adoption or has ever lived in the same household at the co-op or somewhere else.

(e) Management or service company employee
- Management or service company employee may not be elected or appointed as directors.

(f) Former directors who resigned
- A member who resigns as a director may not be on the board until the second annual election after resigning. Until then, the member cannot be elected to the board or appointed to fill a board vacancy. The member cannot run at the first annual election after resigning.

(g) Ethical Conduct and Confidentiality and Conflict of Interest Agreements
- Every director has to sign a Directors' Ethical Conduct Agreement and a Confidentiality and Conflict of Interest Agreement.
-

Term of Office

(found in section 7.3(a) of the model Organizational Bylaw for Ontario Co-ops, made available by CHFC)

Directors serve for terms of two years.