RULES OF MODO CO-OPERATIVE

Adopted as the Rules of Modo Co-operative at the Annual General Meeting on April 17, 2019.

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RULES OF MODO CO-OPERATIVE

Part 1 – Preliminary

1.01 In these Rules,

(a) "Act" means the *Cooperative Association Act* of British Columbia from time to time in force and all amendments to it and "Call", "Director", "Special Resolution", "Memorandum", "Officer", "Member", "Eligible Organization" and "Rules" have the meaning assigned to them by the Act;

(b) "Association" means Modo Co-operative, an amalgamated association under the Act;

(c) "Amalgamation" means the amalgamation and continuation of the Amalgamating Associations under the Act;

(d) "Amalgamating Associations" means Modo Co-operative (pre-Amalgamation) and VCSC;

(e) "VCSC" means Victoria Car Share Co-operative;

(f) "Individual Member" means a natural person who is a Member of the Association and includes an Associate Member;

(g) "Partnership Member" means an Eligible Organization that has been admitted as a Member of the Association and has met the requirements set out in Rule 2.05, and includes a Former VCSC Partnership Member;

(h) "Business Member" means a Member of the Association that is an Eligible Organization and is not a Partnership Member;

(i) "Organizational Member" means a Partnership Member or a Business Member;

(j) "Former VCSC Individual Member" means a natural person who was a Member of VCSC immediately prior to the Amalgamation and became an Individual Member of the Association upon Amalgamation;

(k) "Former VCSC Partnership Member" means a Partnership Member of the Association who was a Member of VCSC immediately prior to the Amalgamation and became a Partnership Member of the Association upon Amalgamation;

(l) "Delegate" means an individual appointed to represent an Organizational Member as set out in Rule 7.02;

(m) The "Record Date" for any general meeting means the day that is 45 days before the date of the general meeting;

(n) Unless the context otherwise requires, words importing the singular include the plural, and vice versa, and words importing the feminine gender include males, and vice versa, and words importing persons include corporations;

(o) If there is a conflict or inconsistency between the Act and the Rules, the Act governs.

Part 2 – Membership

2.01 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.

2.02 There is one class of membership in the Association. Membership in that class is available:

(a) as an Individual Member;

(b) as a Business Member; and

(c) as a Partnership Member.

2.03 To be eligible for membership as an Individual Member, an individual must be at least 16 years of age.

2.04 To be eligible for membership as a Business Member, an Eligible Organization must have executed an agreement with the Association, or an agreement with one of the Amalgamating Associations that has been assigned to the Association, setting out, among other things, the terms and conditions under which the employees, owners, directors or other persons authorized by the Eligible Organization are entitled to make use of the services provided by the Association.

2.05 To be eligible for membership as a Partnership Member, an Eligible Organization must:

(a) be an entity ("Development Partner") that is developing or has developed or has assumed the right, title or interest in a property comprised of separate residential and/or commercial units (the "Development"), expressly including, in the case where a strata plan for the Development has been filed in a land title office, the strata corporation, and has agreed to make the services provided by the Association available on a continuing

basis to the tenants, leaseholders, strata lot owners or occupants of the Development for the time being ("Development Partner Users"); or

(b) be an entity that has agreed to make the services provided by the Association available on a continuing basis to its members, employees or other class of designated individuals for the time being ("Organizational Partner Users" together with the Development Partner Users, the "Partner Users");

and

(c) have executed an agreement with the Association, or an agreement with one of the Amalgamating Associations that has been assigned to the Association, which agreement ("Partnership Agreement") shall set out, among other things:

(i) the aggregate par value of the shares required to be purchased by the Partnership Member in the Association;

(ii) the number of Partner Users included on a continuing basis under the membership; and

(iii) the terms and conditions under which the Partner Users are entitled to make use of the services provided by the Association.

2.06 There shall be no joint membership.

2.07 A person that wishes to become a Member must submit to the Association a written application for membership in the form provided by the Association. The application shall be processed in a manner determined by the Directors.

2.08 A Member must:

(a) have fully paid up the minimum share holding required by Part 3 of these Rules;

(b) not have any debts due or owing to the Association; and

(c) abide by all policies of the Association including these Rules, the Membership Manual and Carsharing Handbook and those that may be established from time to time by the Directors.

2.09 An applicant for individual membership who lives in the same physical household as a current Individual Member may request membership as an Associate Member. Subject to the consent of the current Member, the applicant may be admitted as an Associate Member in which case the current Member may be referred to as the Principal Member. Principal and Associate Members shall be jointly liable for their obligations to the Association.

2.10 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.

2.11 Membership is effective on the day that the application for membership is approved under Rule 2.10.

2.12 A Member may withdraw from membership by giving written notice to the Association of the Member's intention to withdraw, except that the withdrawal of a Partnership Member is subject to the applicable Partnership Agreement referred to in Rule 2.05(c). The notice shall be effective on the date the Association receives the notice, unless the notice specifies a future withdrawal date, in which case it shall be effective on the date specified.

2.13 A notice by a Principal Member of intention to withdraw shall be deemed to be a notice of intention to withdraw by each of that Member's related Associate Members, and the membership of an Associate Member shall cease at the time the Principal Member ceases to be a Member. Any such Associate Member is entitled to apply for membership as an Individual Member.

2.14 Subject to Part 12 of these Rules, notice to the Association of the death or bankruptcy of a Member has the same effect as a notice of intention to withdraw, and Part 2 of these Rules apply with the necessary changes, so far as applicable.

2.15 The Association may terminate the membership of a Member in accordance with the Act.

2.16 (1) When a Member withdraws from membership or a membership is terminated or ceases for any reason, all rights and privileges attached to membership cease except the right to require the Association to redeem the Member's shares, in accordance with Part 5 of these Rules.

(2) The cessation of membership does not release the former Member from the obligation to surrender all property of the Association held by the former Member (including access cards and keys), or from any other debt or obligation owed to the Association unless the instrument of debt or obligation states otherwise.

Part 3 – Shares/Structure

3.01 The authorized share structure of the Association is set out in the Memorandum.

3.02 All shares in the Association shall be paid for in full by any means the Directors may permit. No part of the fund of the Association shall be employed in loans on the security of its shares.

3.03 Each Member is required to purchase a minimum number of membership shares in the Association as follows:

(a) for Individual Members other than Associate Members, the minimum number of shares is 50, except that any Former VCSC Individual Member shall be permitted to hold that lesser number of shares held by that particular Former VCSC Individual Member in VCSC immediately prior to the Amalgamation;

(b) for Associate Members, the minimum number of shares is 25, except that any Former VCSC Individual Member shall be permitted to hold that lesser number of shares held by that particular Former VCSC Individual Member in VCSC immediately prior to the Amalgamation;

(c) for Business Members, the minimum number of shares is 50; and

(d) for Partnership Members the minimum number of shares is the number of shares whose aggregate par value is set out in the Partnership Agreement referred to in Rule 2.05(c).

3.04 The Directors may make calls on the Members for any money unpaid on their shares, and a call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed.

3.05 If a Member fails to pay a call on or before the date set for payment by the resolution referred to in Rule 3.04, 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.

3.06 If a Member on whom a notice has been served under Rule 3.05 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.

3.07 (1) A forfeiture under Rule 3.06 is effective on the date that the Directors make the resolution referred to in that Rule.

(2) A Member whose share has been forfeited in accordance with a resolution under Rule 3.06 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.

(3) 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.

(4) A Member whose share has been forfeited remains liable to the Association for interest that accrued to the date of the resolution under Rule 3.04 and that interest is a debt due to the Association.

3.08 A Member from whom money is due on call must pay interest on the unpaid amount at the rate set by the Directors from the date set for payment until the date of payment. The interest that accumulates under this rule is a debt due to the Association. The Directors may waive payment of interest due under this Rule.

3.09 The Association may pay interest on membership shares in accordance with the Act, at a rate to be set by the Directors from time to time.

3.10 Where a proposed redemption of shares, refund of amount paid up on shares or prepayment of a loan would, in the opinion of the Directors, impair the financial

position of the Association, the Directors shall suspend the redemption, refund or prepayment.

3.11 No share certificates shall be issued.

Part 4 – Lien

4.01 The Association shall have a lien on a Member's shares for a debt due to it by the Member.

Part 5 – Redemption of Shares

5.01 Subject to the Act, these Rules and the special rights and restrictions attached to any class of shares, the Association may, by a resolution of the Directors, redeem any of its shares at the price and on the terms specified by the resolution.

5.02 (1) If the Association proposes, at its option, to redeem some but not all of the shares of any class of shares, it must make its offer ratably to every shareholder who holds shares of that class of shares.

(2) A redemption of shares under subrule (1) must be made on a fair and equitable basis.

5.03 Subject to the Act, the Association may sell any share redeemed by it, but, while the Association retains the share, the Association must not exercise any vote, or pay or make any dividend or other distribution, in respect of that share.

5.04 Subject to the Act, if a Member withdraws from membership, the Association shall redeem the shares of the former Member within 90 days after the effective date of the withdrawal, but the Association may defer that redemption until the former Member has complied with the obligations set out in Rule 2.16(2).

5.05 If the Association terminates the membership of a Member under Rule 2.15, the Association must redeem the shares of the former Member in accordance with the Act, but the Association may defer that redemption until the former Member has met the requirements of Rule 2.16(2).

5.06 The refund on account of membership shares shall not exceed the amount paid up on the Member's membership shares.

Part 6 – Transfer of Shares

6.01 Shares in the Association are not transferable, except as provided in this Part.

6.02 The Directors, or a person authorized by the Directors to approve applications for transfer of shares, may in their discretion approve or refuse an application for transfer of shares:

(a) between a Principal Member ("transferor") and one of that Principal Member's related Associate Members ("transferee"); and

(b) from a Development Partner ("transferor") to another Eligible Organization ("transferee") that assumes the right, title or interest in the Development, expressly including, in the case where a strata plan for the Development has been filed in a land title office, the strata corporation.

6.03 The transfer document must:

(a) be in writing in a form approved by the Directors;

(b) specify the transferor, the transferee and the number of shares being transferred;

(c) in the case of a transfer under Rule 6.02(a), be executed and dated by the Principal Member and by each of that Principal Member's related Associate Member(s); and

(d) in the case of a transfer under Rule 6.02(b), be executed and dated by the transferor and the transferee.

6.04 A transfer of shares does not take place until:

(a) a properly executed transfer document has been delivered to the Association;

(b) any lien of the Association on the shares has been satisfied;

(c) the transfer has been authorized under Rule 6.02; and

(d) the transfer of shares has been recorded in the register of members.

Part 7 – General Meetings

7.01 A general meeting shall be held at least once in every year within four months of the end of the financial year. Semi-annual or other periodic meetings may be held as the Directors or Members decide.

7.02 (a) An Organizational Member shall provide written notice to the Association appointing a Delegate to speak and vote on the Member's behalf at general meetings of the Association, and such notice must be given to the Association no less than fourteen days before the general meeting.

(b) An Organizational Member may appoint an alternate Delegate to act in the Delegate's place in the absence or inability of the Delegate to act by providing written notice to the Association no less than fourteen days before the general meeting.

(c) No individual may be a Delegate or alternate Delegate for more than one Organizational Member.

(d) An Organizational Member has one vote and may only vote through its Delegate or alternate Delegate.

(e) The appointment of a Delegate or an alternate Delegate shall continue until it is changed or rescinded by a written notice given by the Organizational Member to the Association.

7.03 At each annual general meeting the following business must be considered:

(a) report of the Directors;

(b) financial statement;

(c) auditor's report, if applicable;

(d) election or appointment of Directors; and

(e) appointment of an auditor.

7.04 The order of business at 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 auditor to be read;

(h) election of Directors and appointment of auditor;

(i) special business to be considered;

(j) unfinished business to be considered;

(k) new business to be considered.

7.05 (1) Any business other than business listed in Rule 7.04 is special business.

(2) Special business must be approved by ordinary resolution of the Members unless the Act or these Rules require otherwise.

7.06 (1) The calling of a special general meeting by the Directors, either on their own initiative or in response to a requisition by the Members, must be in accordance with the Act.

(2) The requisitioning of a special general meeting by the Members must be in accordance with the Act.

(3) The directors may determine the order of business at a special general meeting.

7.07 General meetings must be held at the time and place in British Columbia that the Directors specify.

7.08 (1) The Directors may permit Members to participate in a general meeting from one or more other locations through telephone or other communications medium, provided that all Members participating in the meeting, whether by telephone, other communications medium or in person, are able to communicate with each other.

(2) The Directors may permit Members to participate in a general meeting by internet connection or other communications medium provided that Members participating in and entitled to vote at a general meeting who are so connected are able to hear all others participating in person or as described in subsection (1) and are able to vote in real time when called upon by the chair to do so.

(3) A technical failure that prevents any Member from participating in or voting at a general meeting and the chair may continue the meeting.

7.09 No business shall be transacted at a general meeting unless a quorum of 25 Members (or 10% of the membership if there are less than 250 Members) are present in person at the time when the meeting proceeds to business, and unless at all times after that not less than 3 Members are present.

7.10 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 as contemplated under Rule 7.09, 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.

7.11 The chair or, in the absence, inability or unwillingness of the chair, the vice-chair of the Association must preside as chair at every general meeting, unless the majority of the Directors choose another person, who need not be a Member, to be the chair.

7.12 If there is no chair present and willing to act within 30 minutes after the time appointed for holding the meeting, the Members present shall choose someone of their number to be chair.

7.13 (1) If, within 30 minutes from the time appointed for a general meeting, a quorum is not present, the meeting,

(a) if convened by requisition of Members, is 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 meeting is changed out of necessity.

(2) If at the adjourned meeting referred to in subrule (1) a quorum is not present within 30 minutes from the time appointed, the Members present in person are deemed to constitute a quorum.

7.14 The chair may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. But no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

7.15 The Directors at a general meeting must appoint a person to act as secretary at the meeting. The secretary must record the minutes of all resolutions and proceedings at a general meeting in books provided by the Directors for that purpose.

7.16 The only persons entitled to be present at a general meeting are those entitled to vote at that meeting, the auditor of the Association, and others who are entitled or required under any provision of the Act or these Rules to be present. A person who is not entitled to be present at a general meeting may be admitted to a meeting only on the invitation of the chair or with the consent of the Members at the meeting.

7.17 If special business is to be considered at a general meeting, the notice of the meeting must state the nature of the special business in sufficient detail to permit a Member to form a reasoned judgment concerning the business.

7.18 (1) If a special resolution is to be proposed at a general meeting, the notice 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.

(2) If a notice contains a summary of the text of a special resolution as provided in subrule (1)(b), the notice must also state the place where the full text of that special resolution can be read or copied.

7.19 If a general meeting is adjourned for fewer than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the first meeting that is adjourned, but if a general meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given in the same manner as for the original meeting.

7.20 The notice and financial statement required to be provided to Members under this Part must be given in a manner permitted in Part 12 of these Rules.

7.21 The accidental omission to give notice of any general meeting to, or the non-receipt of any notice by, a Member or person entitled to receive notice does not invalidate any proceedings at that meeting.

Part 8 – Voting and Elections

8.01 Only Members whose names are entered on the register of members on the Record Date are entitled to vote at general meetings.

8.02 Subject to Rule 8.01, on a show of hands or on a poll, every Individual Member who is present, and every Organizational Member whose Delegate or alternate Delegate is present, in person or by telephone or other communications medium, shall have one vote only.

8.03 Proxy voting is not permitted.

8.04 In the case of an equality of votes cast on a resolution at a general meeting the chair is not entitled to a second or casting vote and the motion is defeated.

8.05 No Member in arrears with a call on that Member's shares may vote for Directors or on any resolution at any general meeting or be a candidate for election of Directors.

8.06 In the case of a vote by show of hands, the declaration of the chair of the meeting shall be conclusive evidence of the result, unless 3 or more Members before or on the declaration of the result demand a poll, in which case a poll shall be taken immediately.

8.07 All meetings of the Association shall attempt to reach consensus on the issues and motions that come before them, but in default, they shall be decided by a simple majority of votes, except where the Act or these Rules require a greater number.

8.08 Any election to a position created by these Rules shall be by acclamation if the number of nominees is equal to the number of positions being elected or otherwise by secret ballot.

8.09 Elections shall be held by secret ballot at the annual general meeting, unless the Directors resolve, in addition or as an alternative, to conduct elections using one

or more of electronic voting, mail-in ballots, phone ballots or other methods where Members may vote in advance of the annual general meeting and that will ensure that:

(a) only eligible Members are able to vote;

(b) no Member is able to vote more than once; and

(c) the secrecy of the ballot is preserved.

8.10 To be eligible to vote in an election, a Member must have been a Member on the Record Date for that general meeting.

8.11 In elections, candidates shall be ranked by the number of votes they receive, unless the Directors, by resolution, choose another system of voting, including preferential ballots or other alternative voting systems, that provides a clear ranking of candidates. Those candidates ranked highest shall be declared elected up to the number of positions available.

8.12 The Directors shall clearly announce the voting system to be used in an election, including the rules for counting votes, prior to the commencement of balloting.

8.13 Where the positions of Director being filled at any election are for different lengths of term, each new Director's tenure shall be determined by their ranking in the voting. The person receiving the highest ranking will hold office for the longest term. If there is an election by acclamation the respective terms of the persons so elected shall be determined by lot. In any election, if there are two or more persons ranking equally requiring a decision as to the successful nominee, or as to the respective tenure of the successful nominee, the matter shall be decided by lot.

8.14 If Members are permitted to vote in advance of an annual general meeting, the Directors must appoint an election auditor prior to the commencement of the election process.

8.15 The election auditor may be the Association's auditor, a firm of accountants, a trust company, or any other firm that is able to carry out the duties of an election auditor.

8.16 The election auditor must:

(a) preside over any necessary drawing of lots;

(b) receive, validate and count all votes cast;

(c) perform the audit and verification procedures, which in the election auditor's opinion are necessary to validate the methods and process of the election; and

(d) certify the election as valid, or declare the election invalid if in the election auditor's opinion there were material irregularities in any aspect of the election.

8.17 The election auditor must not disclose to any person how any Member voted.

8.18 The election auditor must announce the result of the election, including the ranking or number of votes received by each candidate, at the annual general meeting convened for the election.

Part 9 – Directors

9.01 The Directors must manage the Association in accordance with the responsibilities, duties and powers set out in the Act, the regulations, the Memorandum and these Rules.

9.02 Directors, in exercising their power and performing their functions, shall act honestly and in good faith and in the best interests of the Association, and shall exercise the care, diligence and skill of reasonably prudent persons.

9.03 The Directors shall adhere to the conflict of interest provisions of the Act.

9.04 The Association must have at least three Directors and not more than nine Directors.

9.05 Every director must be an Individual Member of the Association.

9.06 Prior to each annual general meeting, the Directors must appoint a Nominations Committee. The Nominations Committee shall:

(a) invite Members to submit nominations;

(b) communicate to Members the Directors' views on the desired skills, experience and other attributes needed at this time by Directors of the Association;

(c) identify and recruit members so that, whenever possible, the number of candidates standing for election exceeds the number of vacancies;

(d) receive nominations and verify that nomination papers are in order and that the candidate is eligible to serve as a Director;

(e) hold a meeting of all candidates to review the election process and timing; and

(f) approve for publication to Members the list of candidates and the candidate statements they have provided.

9.07 Nominations shall close on the Record Date for the annual general meeting.

9.08 To become a Director candidate, a qualified Member must submit to the Nominating Committee by the close of nominations:

(a) Member's written consent to act as a Director; and

(b) Member's written agreement to the Code of Conduct Acknowledgement and Conflict of Interest Declaration.

9.09 At the annual general meeting, elections shall be held for three-year terms, with some vacancies filled for lesser terms so that immediately after each election the remaining terms of the Directors will be as follows:

(i) three Directors – three years;

(ii) three Directors – two years; and

(iii) three Directors – one year.

9.10 Where a vacancy occurs in the Board of Directors the remaining Directors may, subject to Rule 9.04, appoint an individual who meets the qualifications set out in Rules 9.05 and 9.11 to fill the vacancy, but any Member who is so appointed shall only hold office to the close of the next annual general meeting.

9.11 At any annual general meeting, a Director who was elected at the annual general meeting of the Association or at the annual general meeting of one of the Amalgamating Associations ~~seven~~ nine years earlier and has served continuously since that time as a director of the Association or of one of the Amalgamating Associations is disqualified from becoming or acting as a Director from the close of that annual meeting until the next annual general meeting.

9.12 If at any meeting at which an election of Directors ought to take place the places of the vacating Directors are not filled up, the meeting shall stand adjourned until the same day in the next week at the same time and place. If at the adjourned meeting the places of the vacating Directors are not filled, the vacating Directors shall be deemed to have been elected again at the adjourned meeting.

9.13 The Association may, by special resolution, remove any Director before the expiration of that Director's term of office, and may appoint another person to fill the ensuing vacancy.

9.14 The office of Director shall be vacated if the Director:

(a) ceases to meet the qualifications set out in Rules 9.05 and 9.11;

(b) becomes an employee of the association;

(c) fails to disclose an interest in a contract or transaction or a conflict of office or property as required by the Act; or

(d) is absent from 3 consecutive regular meetings of the Directors without the consent of the Directors.

9.15 The Directors shall elect a chair and vice-chair from their number who shall serve for a term of one year or until a successor is elected, and may appoint a manager, secretary and treasurer, whether from their own body or otherwise, as they think fit, and may prescribe their duties and fix their remuneration and dismiss them. The vice-chair shall exercise the powers of the chair if the chair is absent.

9.16 The Directors may delegate any of their powers to a Committee of Directors consisting of one or more Directors as they see fit; any Committee of Directors shall, in the exercise of the powers delegated, conform to these Rules and any regulations that may be imposed on them by the Directors.

9.17 The Directors may appoint advisory committees consisting of one or more persons, who need not be Members of the Association, and may assign duties and responsibilities to those committees that are not inconsistent with the Act and these Rules and may make policies governing their conduct.

9.18 The Directors shall cause minutes to be made in books provided for the purpose

(a) of all appointments of Officers made by them;

(b) of the names of the Directors present at each meeting of Directors or Committee of Directors; and

(c) of all resolutions and proceedings at all meetings of the Association, the Directors or any Committee of Directors; and every Director present at a meeting of Directors or Committee of Directors shall sign her name in a book kept for that purpose.

9.19 The Directors shall cause proper registers of the Members and Directors to be kept at the registered office, and shall in all other respects comply with the Act.

9.20 The Association in general meeting shall determine the remuneration, if any, of the Directors.

9.21 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chair shall not have a second or casting vote. A Director may, and the secretary, on requisition of a Director, shall, at any time summon a meeting of the Directors.

9.22 All meetings of the Directors shall be held in British Columbia. The quorum necessary for the transaction of business may be fixed by the Directors, and unless so fixed, shall be 3.

9.23 A resolution signed by all Directors shall have the same force and effect as if passed at a duly constituted meeting of the Directors.

9.24 Subject to the Act, the Association may indemnify Directors, former Directors, their heirs and personal representatives against all costs charges and expenses. Indemnification includes any amount paid to settle an action or satisfy a judgment incurred by them and to which they were made party by reason of being or having been Directors.

9.25 The Directors may cause the Association to purchase and maintain insurance for the benefit of any person who is serving or has served as Director, Officer, employee, or agent of the Association. This insurance may also benefit the person's heirs or personal representative against any liability incurred by the person as such Director, Officer, employee or agent.

Part 10 – Financial

10.01 Every Officer of the Association having receipt of money shall before entering on duties give security considered necessary by the Directors.

10.02 The funds of the Association shall be invested in accordance with an Investment Policy approved by the Directors that defines permitted investments and sets investment limits for permitted investments.

10.03 The Directors may, at their discretion, raise, borrow money or secure the payment of money for the purpose of the Association. This includes the issue of debentures, including any amount at any time owing in respect of money raised, borrowed, or secured which exceeds the amount of capital subscribed, without the authority of a special resolution.

10.04 The Directors shall cause true books to be kept of

(a) all money received and expended and the matter for which that receipt and expenditure takes place; and

(b) the assets and liabilities of the Association.

10.05 The books of accounts shall be kept at the registered office of the Association, and may for temporary purposes be kept at another place the Directors think fit, and shall at all reasonable times be open to the inspection of the Directors.

10.06 One or more auditors shall be appointed by the Association at its annual general meeting.

10.07 The Directors shall set aside out of the profits of the Association, in accordance with the Act, a sum they think proper, toward the reserve fund, which shall be applicable for meeting contingencies; and pending applications. It may, at the like discretion, either be employed in the business of the Association or be invested in a manner the Act permits and the Directors think advisable.

10.08 Surpluses not apportioned pursuant to Rule 10.07 may be used for the purposes of the Association, distributed among the Members as a patronage return subject to the Act, or donated for charitable or educational purposes.

10.09 A copy of the financial statements to be presented to the membership at the Annual General Meeting shall be made available to Members at least 14 days before the meeting at which it is to be presented.

Part 11 – Dispute Resolution

11.01 Any dispute arising out of the affairs of the Association, between

(a) a Member, any person aggrieved who has not for more than 6 months ceased to be a Member, a person claiming through a Member, or a person claiming under the Association's Rules; and

(b) the Association or a Director

shall be referred to a committee of 3 Members of the Association. The chair and the Member or other person aggrieved shall each nominate one member, and the third shall be chosen by the two nominated.

11.02 Every effort will be made to follow the Dispute Resolution Policy of the Association in an effort to resolve the dispute. The Association will follow a consensual interest-based approach in an effort to resolve any dispute. It will be open to the Association to seek the services of a qualified mediator to assist in the resolution of the Dispute.

11.03 In the event that a resolution is not reached the aggrieved party has recourse to arbitration in accordance with the Act.

Part 12 – Notices

12.01 Unless otherwise specified in the Act or these Rules, any notice required to be given to a Director, 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) served in accordance with this part; or

(f) delivered via electronic mail to the person's electronic mail address as recorded in the Association's register of Members or other record of the Association.

12.02 Unless otherwise specified in the Act or these Rules, 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 provided for that purpose; or

(d) served in accordance with Rule 12.08.

12.03 (1) A notice given in accordance with Rules 12.01(a), 12.01(b), 12.01(e), 12.01(f), 12.02(a) or 12.02(d) is deemed received when it is delivered.

(2) A notice given in accordance with Rules 12.01(c) or 12.02(b) is deemed received on the second day, not including Saturday and holidays, after the date of mailing.

(3) A notice given in accordance with Rules 12.01(d) or 12.02(c) is deemed to be received at the time the notice is sent by facsimile.

12.04 In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving notice must be excluded and the date of the meeting or other event must be included, subject to the Act requiring greater notice.

12.05 If a notice sent by mail or by electronic mail is returned on two consecutive occasions because the intended recipient cannot be found, the Association is not required to give any further notices to that intended recipient until the intended recipient informs the Association in writing of that intended recipient's new address.

12.06 The accidental omission to give a notice to, or the non-receipt of a notice by, a Member, Director, Officer, auditor or member of a Committee of Directors, or an error in a notice that does not affect the substance of it, does not invalidate any action taken at a meeting held in accordance with, or otherwise founded on, that notice.

12.07 A person who, by operation of law, transfer, death of a Member, or any other means, becomes entitled to a share in the Association, is bound by every notice in respect of the share that has been duly given to the Member from whom that person derives title to the share before the person's name and address were entered on the register of Members and before the person furnished the Association with the proof of authority or evidence of the person's entitlement.

12.08 A document or other record may be served on the Association by

(a) leaving it at, or mailing it by registered mail to, the registered office of the Association; or

(b) personally serving a Director or Officer of the Association.

Part 13 – The Seal

13.01 The seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Directors or of the Association, and shall be completed in the presence of the chair and the secretary or other person the Directors appoint for the purpose. These two shall sign every instrument to which the seal of the Association is affixed in their presence.

13.02 The Directors shall provide for the safe custody of the seal of the Association, which shall be deposited at its registered office.

Part 14 — Alteration of Rules

14.01 Amendments to the Memorandum and Rules of the Association must be in accordance with the Act and these Rules.

14.02 Each Member is entitled to a copy of the Memorandum and these Rules upon request.