

**CARDIFF HOUSING CO-OPERATIVE INC.**

**BY LAW NO. 22**

**SPENDING BY-LAW**

BE IT ENACTED as a By-law of CARDIFF HOUSING CO-OPERATIVE INC. (the "Co-op") as follows:

**ARTICLE 1**

**OPERATING EXPENDITURES**

- 1.01 (a) The Board of Directors (the "Board") has the authority to spend the operating funds of the Co-op in each fiscal year to a maximum amount equal to the total funds provided in the operating budget approved by the Members in accordance with the Occupancy By-law of Cardiff Housing Co-operative (the "Co-op").
- (b) Any surplus in one category of expense shown in the budget, or any contingency allowance (if not required to offset a shortfall in budgeted revenue) may be allocated by the Board for necessary expenses in any other categories, unless otherwise specifically provided by the general membership of the Co-op (the "Members").
- 1.02 (a) Individual Members and committees of the Co-op may not authorize expenditures or otherwise make financial commitments on behalf of the Co-op unless the authority to do so has been explicitly delegated to them by the Board.
- (b) The Board may delegate its authority under this Article to spend funds within limits it determines to staff of the Co-op. The Board may also delegate spending authority for specific expenses or types of expenses to committees, staff, individual members or other persons, as it sees fit.

- 1.03 No person may initiate or approve any expenditure or purchase that substantially benefits that person or where that person has a conflict of interest with respect to that expenditure.
- 1.04 If, during a fiscal year, the Board feels that a change in the total expense budget and/or a change in housing charges is necessary or desirable, it may call a special meeting of the Members for the purpose of considering such a change. It will prepare a budget or a statement showing the necessity for the change and give notice in the manner set out in the Occupancy By-law.

## ARTICLE 2

### CAPITAL EXPENDITURES

- 2.01 The Board is authorized, subject to any approvals required by Canada Mortgage and Housing Corporation ("CMHC"), to spend up to \$10,000 per annum from the Co-op's reserves for capital expenditures without the specific prior approval of a Members' meeting.

If the Board intends to spend on any one item or work project a sum of more than \$3,000. from the Co-op's reserves, Members should be notified of the intention and given 5 days to express their opinion to the Office in writing for the Board's consideration.

- 2.02 For proposed non-emergency capital expenditures of more than \$10,000, the Board will present a capital budget to a meeting of Members for approval. In addition to any other notice of a Members' meeting required by the By-laws, at least five days prior to the Members' meeting, there will be delivered to each unit a copy of the proposed capital budget showing proposed capital expenditures, the proposed method of financing the expenditures and an assessment of the impact on the current and future operating budgets of the Co-op (e.g., operating revenue, reserves, retained earnings).

- 2.03 Approval of the capital budget will authorize the Board, subject to any required approvals by CMHC, to spend the funds of the Co-op for capital expenditures from the sources specified, to a maximum of the total expenditures in the budget, unless otherwise specifically provided by the Members.

### ARTICLE 3

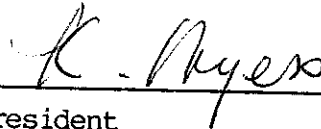
#### EMERGENCY EXPENDITURES

- 3.01 Emergency expenditures are expenditures that must be incurred immediately because a delay would risk property damage or endanger the safety of persons or property or disrupt essential services to Members (e.g., light and power, heat, water, hot water, food refrigeration and cooking equipment).
- 3.02 Notwithstanding the provisions of this By-law, the Board may authorize any emergency expenditures on the Co-op's behalf without further authority from the Members. The Board may delegate its authority under this Article to Co-op staff and/or other members specifically designated by the Board.

PASSED by the Board of Directors and sealed with the Corporate Seal of the Co-op this 15th day of February 1989.



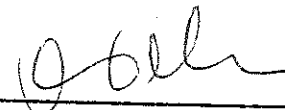
Secretary



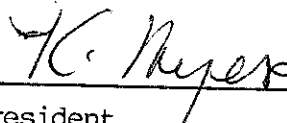
c/s

President

CONFIRMED by at least two-thirds of the votes cast at a General Meeting of Members, this 21st day of June, 1989.



Secretary



c/s

President

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Secretary

c/s

[Signature]  
President

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Secretary

c/s

[Signature]  
President