

**THE CO-OPERATIVE ASSOCIATION ACT  
CHAPTER 98        ACTS OF 1989**

**ARTICLES OF INCORPORATION AND BYLAWS FOR  
Hall's Harbour Water Co-Operative Limited  
A NOT-FOR-PROFIT CO-OPERATIVE LIMITED BY SHARES**

**1. NAME:**

The name of the Co-Operative is Hall's Harbour Water Co-operative Limited.

**2. OBJECTIVES:**

The objectives for which the co-operative is established are to carry on a co-operative basis: the operation of a water supply business and complementary services for the benefit of the members including the acts and things set forth under Section 16 of the Co-operative Associations Act.

**3. LIABILITY:**

The liability of the members is limited.

**4. REGISTERED OFFICE:**

The registered Office of the Co-operative shall be c/o The CAP Site, 3586 Highway 359, Hall's Harbour, BOP 1JO. Telephone: (902) 678-7001 Fax: (902) 678-7001 Email: [Hallsharbour.cap@xcountry.tv](mailto:Hallsharbour.cap@xcountry.tv) . The board may from time to time determine the place or places at which the business of the co-operative shall be carried on.

**5. THE SEAL:**

The seal of the Co-operative shall be such as to make a circular impression having two circles between which are the words "**Hall's Harbour Water Co-operative Limited**" and inside the inner circle the words "**Incorporated 1972**".

**6. FINANCIAL YEAR:**

The financial year of the Co-operative shall be the first day of June to the last day of May.

**7. WITHDRAWALS:**

Members' applications to withdraw their membership and shares shall be made in writing to the board and shall be subject to a policy of the board.

**8. MEMBERSHIP:**

The Board shall determine the conditions of membership including the requirement to pay equity in the form of shares. Members shall withdraw or be excluded from membership according to Section 29 or Regulations 4 and 6 of the Co-operative Associations Act, and also if a member acts contrary to the best interests of the Co-operative.

**9. MEETINGS:**

- (a) The annual meeting of the members shall be held within four months of the year-end. Special meetings shall be held when called by the secretary as directed by the directors, or by a written request of the members as per Section 5(2) or Regulation 17 of the Co-operative Associations Act. All meetings shall be at such place as the directors may from time to time determine.
- (b) At all meetings **twelve (12)** of the members shall constitute a quorum.
- (c) Notice of annual or special meetings shall be posted prominently in the place of business of the co-operative and shall also be mailed by post or hand delivered to the registered address of the member at least ten days prior to the meeting.

**10. BOARD OF DIRECTORS:**

- (a) The board of directors shall consist of five (5) directors who shall be elected for a term of two (2) years, arranged so that two or three (2 or 3) directors are elected each year. The maximum number of consecutive terms a director may serve is unlimited.
- (b) The directors shall meet as often as the business of the Co-operative may require but not less than three (3) times a year. A quorum shall consist of three (3) of the directors.
- (c) If a vacancy occurs in the board of directors, the directors may appoint a member to fill the vacancy until the next annual meeting when the members shall hold an election to complete the term of vacancy.
- (d) Eligibility for election to the board of directors:
  - 1. agrees with objectives of the Co-operative;
  - 2. accepts leadership position when requested; and
  - 3. supports the co-operative wherever possible.

**11. DUTIES OF OFFICERS:**

The board shall elect a president, secretary and shall appoint other officers and committees who are responsible to the board. Their duties shall be specified by the board.

**12. SHARES AND MEMBER LOAN CAPITAL:**

- (a) The Board shall determine the conditions of membership including the requirement to pay equity in the form of shares or member loan capital. The par value of shares is five dollars (\$5) each. There shall be no dividends paid on shares. A minimum number of shares to be held by each member shall be determined by the board.
- (b) Member Loan Capital may be issued. Interest rates shall be determined by the board of directors, but shall not exceed the prime bank lending rate per annum at the co-operatives year end (Member Loan Capital is equity and ranks equally with Shares in wind-up).

- (c) Each member may be required to lend to the Co-operative all or part of the patronage dividends in the form of shares or member loan capital payable to him/her by the Co-operative. The Co-operative is authorized to apply to the member's share or member's loan capital account the said rebates during such time as she/he remains a member of the co-operative.

**13. GENERAL RESERVE:**

A general reserve shall be created in the manner and amount as determined by the Board of Directors for the purpose of well replacement and major capital repairs. The Board may create other reserves as needs are identified.

**14. BORROWING POWERS:**

- (a) The Co-operative is authorized to borrow money from its members for specific periods of time at specific rates of interest.
- (b) The Co-operative is authorized to exercise all and every power to borrow money to secure payment thereof which is conferred upon it by the Nova Scotia Co-operative Associations Act, Chapter 98, Acts of 1989.
- (c) The directors of the Co-operative may exercise all such powers and do all such acts and things as may be exercised or done by the Co-operative in respect of the borrowing of money, and the provision of security for such borrowing, as has been delegated to the directors by the Co-operative.
- (d) The directors of the Co-operative shall not, on behalf of the Co-operative, authorize or approve borrowings in excess of fifty thousand dollars (\$50,000) in a single fiscal year without having first obtained formal approval from a meeting of the members of the Co-operative by way of a special resolution.

**15. DISSOLUTION:**

If for any reason the affairs of the Co-operative are dissolved or wound up and there remains after satisfaction of all liabilities, including shares and/or member loan capital, any property whatsoever, it shall be divided among the members in proportion to their shares in the Co-operative.

**16. CORPORATE INDEMNIFICATION:**

Subject to the provisions of the Co-operative Associations Act of Nova Scotia, every director and senior officer or his/her heirs, executors and administrators, and estate and effects, respectively, shall at all times be indemnified and saved harmless out of the funds of the Co-operative, from and against:

- (a) all costs, charges and expenses whatever that such directors or officer sustains or incurs in or out of any action, suit or proceeding that is brought, commended or prosecuted against the director or officer, for or in respect of any act, deed, matter or thing whatever, made, done or permitted by the director or officer in or about the execution of duties of his/her office, and
- (b) all other costs, charges and expenses that the director or officer sustains or incurs in or about or in relation to the affairs thereof.

**Note: Article 15 – Dissolution Amended August 5, 2005.  
HALL’S HARBOUR WATER CO-OPERATIVE LIMITED**

**Amendment to the Articles of Incorporation and By-Laws approved  
August 20, 2004.**

**Amendment to Article 15 – Dissolution approved August 5, 2005 at the Annual  
General Meeting**

**Original Article 15 – Dissolution:**

If for any reasons the affairs of the Co-operative are dissolved or wound up and there remains after satisfaction of all liabilities, including shares and/or member loan capital, any property whatsoever, it shall be **divided among the members in proportion to their shares in the Co-operative.**

**The Amendment states:**

If for any reasons the affairs of the Co-operative are dissolved or wound up and there remains after satisfaction of all liabilities, including shares and /or member loan capital, any property whatsoever, it shall be **distributed to a similar organization whose objectives are in line with those of the co-operative not to individual shareholders.**