

Mondragon Co-operative Homes Inc.

By-law No. 3

Bylaw Respecting the Provision of Subsidies

Passed by the Board of
Directors:

November 5, 1982

Confirmed by the
members:

November 5, 1982

BY-LAW NUMBER III

A BY-LAW RESPECTING THE PROVISION OF
SUBSIDIES TO MEMBERS OF THE CO-OPERATIVE

BE IT ENACTED as a By-Law of MONDRAGON CO-OPERATIVE HOMES, INC. (hereinafter referred to as "the Co-operative") as follows:

ARTICLE I - DEFINITION

1. The subsidy referred to herein is defined in the Section 56.1 Agreement signed by the Co-operative and Canada Mortgage and Housing Corporation.

ARTICLE II - ADMINISTRATION

1. The administration of the subsidy shall be in accordance with the terms of the 56.1 Agreement signed by the Co-operative and Canada Mortgage and Housing Corporation. In the case of dispute between this By-Law and the 56.1 Agreement, the terms of the 56.1 Agreement shall prevail.
2. The Co-operative's co-ordinator or manager shall be responsible for the day-to-day administration of the funds in the Subsidy Pool, as well as allocating those funds to applicants for subsidy.
3. The Co-operative's Treasurer shall review the operations of the Subsidy Pool and make periodic reports to the Board of Directors regarding the number of families receiving subsidy, as well as summarizing the income and expenses of the Subsidy Pool for that period.

ARTICLE III - ELIGIBILITY

1. Only residents of units owned or leased by the Co-operative shall be eligible for subsidy.
2. Regulations governing specific criteria for eligibility shall be approved from time to time by the Board of Directors and distributed to all members.

ARTICLE IV - MAXIMUM SUBSIDY AVAILABLE

1. In no case shall the subsidy amount exceed the amount stipulated in the Federal Rent-Geared-to-Income Scale in the 56.1 Agreement.

ARTICLE V - APPLICATION PROCESS

1. All subsidy monies shall be allocated on an annual basis.
2. All applications for subsidy must be accompanied by appropriate documentation verifying the income of the applicant.
3. No subsidy will be granted retroactively.
4. All subsidies shall terminate automatically at the end of each fiscal year of the Co-operative.
5. The terms and conditions under which any subsidy is granted shall be the subject of an agreement signed by the member requesting subsidy and the Co-operative, and no monies shall be allocated unless and until such agreement is signed.
6. Not later than four months prior to the end of the fiscal year, written notification will be circulated to all members stating that all subsidy applications and income verifications for the coming fiscal year must be received in the Co-operative office within thirty (30) days.
7. Two months prior to the end of the fiscal year, written notice shall be given to all applicants for subsidy of the decision on their application and the amount, if any, of any subsidy allocated in respect to the application.
8. New applications for subsidy may be submitted by members at any time during the fiscal year, with the understanding that any agreement that may be signed will terminate at the end of the fiscal year in which it was signed.
9. Any applicant who is denied subsidy may appeal the decision of the Board of Directors or to a committee designated by the Board of Directors to hear such appeals.

ARTICLE VI - EARLY TERMINATION

1. Any subsidy agreement may be terminated prior to the end of the fiscal year by resolution of the Board of Directors for any one of the following reasons:
 - (a) failure to abide by the By-Laws of the Co-operative;
 - (b) failure to abide by the Housing Agreement;
 - (c) failure to abide by the Subsidy Agreement;
 - (d) willful falsification of the income verification;
 - (e) failure to report additional household income within thirty (30) days of any such change.

ARTICLE VII - AMENDMENT

1. This By-Law may be amended by resolution of the general members at a meeting called for that purpose. Written notice of such meeting containing the details of proposed amendments shall be given to the members ten days in advance of the meeting. The quorum for such a meeting shall be 30% of the members, and in order to pass 66 2/3% of the valid votes cast must be cast in favour of the resolution to amend.

This By-Law was passed by the Board of Directors of MONDRAGON CO-OPERATIVE HOMES INC. on the 5th day of November, 1982.

Authorized Signing Officer

Authorized Signing Officer

This By-Law was confirmed by at least two-thirds of the votes cast by the general Membership at a meeting called for that purpose on the 5th day of November, 1982.

Authorized Signing Officer

Authorized Signing Officer

SUBSIDY AGREEMENT

THIS AGREEMENT made this _____ day of _____

between: MONDRAGON CO-OPERATIVE HOMES INC.
(Hereinafter referred to as the "Co-op")

and: _____

Unit #
(hereinafter referred to as the "member/s")

WHEREAS the Co-op has funds available to subsidize the monthly Housing Charge of Members residing in the units owned or leased by the Co-op; and,

WHEREAS the Member is a signatory to a valid Occupancy Agreement in respect of such a unit; and,

WHEREAS the Member has submitted an application for subsidy and a verification of income under the terms of By-Law III of the Co-op,

NOW THIS AGREEMENT WITNESSETH that the Member and the Co-op agree as follows:

1. INTERPRETATION

Where more than one member signs this Agreement and/or resides in a Co-op unit with a signator to this Agreement, it is understood that all, individually and collectively, are responsible under the Agreement, and the word "Member" shall be understood in the singular and/or plural as it may apply.

It is further understood that violation of the Agreement by one Member residing in the unit shall be deemed to be violation by all Members, and notice by the Co-op to one Member shall be deemed to be notice to all Members.

Where the masculine form is used in reference to a Member, it is to be interpreted in the feminine gender when applicable.

2. DEFINITIONS

Wherever the words "UNIT", "HOUSING CHARGE" and "OCCUPANCY AGREEMENT" appear in this Agreement, they shall be understood to be defined as they are defined in the By-Laws of the Co-op.

7. TERM OF THE AGREEMENT

The benefits under this Agreement shall commence on the 1st day of _____ and shall continue until the 30th day of November 2006 or until they are terminated in accordance with the provisions of this Agreement.

8. AMOUNT OF THE SUBSIDY

Subject to the provision of this Agreement:

- o the amount due from the Member will be \$ _____ per month,
- o the amount the Co-op agrees to pay on behalf of the member \$ _____ which equals the Member's unit's share of the mortgage payment.

IN WITNESS WHEREOF:

Member:

Date:

for Mondragon Co-op:

Date:
