

Article 1: Purpose of this by-law

The purpose of this by-law is to establish the principles and guidelines for the investment of the Co-op's capital reserves and other funds. It changes the rules in the Co-op's existing by-laws in the following areas:

- Article 4.2 a, b in By-law No.1.2.16, the Organizational By-law,
- By-law No. 1.4.16, a By-law to Amend the Investment Rules in By-law No. 1.1.16, the Organizational By-law.

Article 2: Introduction and special meanings

- 2.1 By-de-Molen (the "Co-op") has funds other than the monies it needs for current operations. These funds include the capital reserve fund, member deposits and retained earnings. The Co-op wants to invest these funds for the purpose of
- maintaining and preserving its homes and other property
 - providing for future financial contingencies.
- 2.2 The Co-op is a non-profit corporation and none of the investment income on the funds is subject to tax of any kind.
- 2.3 The Co-op must follow the *Social Housing Reform Act* (SHRA) which includes rules about the operation and investment of capital reserve funds. The Co-op will follow those rules when making decisions about its capital reserve investments.
- 2.4 The Co-op may adopt from time to time other policies and procedures that work with this by-law.
- 2.5 Certain words have special meanings when used in this by-law.
- (a) "*Social Housing Reform Act*" means the Ontario *Social Housing Reform Act* (SHRA), including all amendments to bring it up to date.
- (b) "Social Housing Services Corporation" means the Social Housing Services Corporation (SHSC) that was set up under the SHRA to manage capital reserve investments, co-ordinate insurance programs, deliver bulk-buying programs and put in place a system for sharing best practices.
- (c) "SHSC Financial" means the SHSC Financial Inc., a company set up by the Social Housing Services Corporation to oversee its investment program.