A Quiz: What do you know about the law?

Circle what you think is the right answer for each question.

1. The Co-operative Act that governs housing co-ops was passed by:

   (a) the federal government
   (b) the Co-operative Housing Federation of Canada (CHF Canada)
   (c) Canada Mortgage and Housing Corporation (CMHC)
   (d) the provincial government
   (e) the municipal government

2. If there is a conflict between documents, which document is always first?

   (a) board of directors' resolution
   (b) co-op by-laws
   (c) the provincial co-operative act

3. When a co-op becomes a corporation, it receives a certificate of incorporation. When can this certificate be cancelled?

   (a) never
   (b) when the members vote to cancel it
   (c) when the co-op fails to send proper documents to the provincial ministry
   (d) when the co-op fails to make its mortgage payments on time
   (e) when the co-op fails to make any mortgage payments for six months or more
   (f) two of the above answers:____ and ____.

4. An individual director can never be held personally liable for any actions taken by the board.

   (a) true
   (b) true, as long as the director was acting in good faith
   (c) false

5. You are a director. You are in a conflict of interest situation if your wife's company bids on a large maintenance contract.

   (a) true (b) false

6. Directors can be paid for time they spend doing business for the co-op.

(a) true (b) false

7. All non-profit housing co-ops get their funding from the same government program and have the same legal responsibilities.

(a) true (b) false

8. The board can make new by-laws, or change existing by-laws, by a majority vote at a board meeting.

(a) true (b) false

9. Various legislation affects co-ops in particular areas. Which ones apply?

(a) the Corporations Information Act

(b) The Construction Lien Act

(c) municipal by-laws

(d) Corporations Tax Act of Canada

(e) Income Tax Act of Canada

(f) Employment Insurance Act of Canada

(g) Contract law

(h) Employment legislation

(i) Canada Pension Plan

(j) Human rights legislation

(k) PIPED Act (Personal Information Protection and Electronic Documents Act)