
Guide - Membership Models Discussion

There are two versions of Model Rules 2.0. They differ **only** in the membership models they assume:

Version A is written for co-ops who prefer joint membership, and

Version B is written for co-ops who prefer:

1. Principal and associate members, or
2. One member per unit.

We suggest that you have a look at the various models to see which best suits your co-op before working on the relevant version of **Model Rules 2.0**. No one model is more difficult to administer than any other. You should make your choice based on the considerations outlined below.

Version A: Joint members are two or more members who share one membership, one vote, and whose interests in the jointly held shares pass to the surviving joint member/s on the other joint member's death or other departure– a guaranteed right of succession.

This provides greater security of tenure for all members but limits the co-op's discretion after the initial decision is made to admit someone to membership.

Your Rules can either provide one vote per joint membership (i.e. one vote per unit) or one vote for each joint member in a joint membership.

The board is not obliged to accept all applicants or all occupants of a unit as joint members. The board may accept or refuse any joint membership application. However, if your co-op is transferring to joint membership, the board should accept all current associate and principal members who apply for joint membership together.

You can limit the number of joint members per unit in policy or leave it to the board's discretion.

Joint members are processed together with regard to share redemptions and terminations of membership. The co-op need not involve itself in a dispute between joint members over the right to share refunds; the cheque would be made out in the name of all joint members residing in a particular unit.

Version B:

1. One principal member and one or more associate members per unit, or
2. One member per unit

In this version there is no guaranteed right of succession *. If a principal member dies or moves out, an associate member (or other resident) may not remain in the unit unless they apply to the co-op for principal membership and are accepted according to the co-op's standard membership policies. The board is not obliged to accept all applicants or all occupants of a unit as associate members. The board may accept or refuse any application for membership according to the policies of the co-op.

You can limit the number of associate members per unit in policy or leave it to the board's discretion.

Remember: each principal and associate member has a vote. This is guaranteed in the *Co-op Act*, and the Rules cannot alter this right.

To limit voting to one person per unit, choose the "one member per unit" option in Version B (no associate members) or consider Version A (joint membership).

Before choosing your preferred membership model, **you will need to decide two important questions:**

- Do you want to protect a guaranteed right of succession?
- How should the right to vote be distributed in the co-op?

Your decision on these two questions will determine your preferred membership model:

1. Do you want to protect a guaranteed right of succession?

Some co-ops favour joint membership because the right of succession is guaranteed in the case of death or change in household composition. Surviving or remaining joint members may continue to live in a unit as long as they continue to meet all of their ongoing obligations under the Rules and Occupancy Agreement.

Co-ops that place a high value on the guaranteed right of succession are more likely to choose a joint membership model. Co-ops that place a higher value on the board's discretion to decide who can remain in a unit will be more wary of joint membership.

There are ways to guarantee a right of succession under other membership models, but joint membership is the simplest method.

It is worth remembering that the board is not obliged to accept all applicants for a unit as joint members either at the initial point of occupancy or thereafter with the exception of a transferal to joint membership when a board should accept all current associate and principal members who apply for joint membership together.



2. How should the right to vote be distributed in the co-op?

What's fair: one vote per household or one vote per person? The question has been debated ever since the first housing co-op was built.

Some co-ops view one vote per household as equitable because it prevents larger households from having more influence on co-op decisions. This is easily achieved by:

- Adopting Version A and allowing only one vote per joint membership, or
- Adopting Version B and either strictly limiting the number of associate members or choosing the “one member per unit” option.

Other co-ops like the idea of having more voting members regardless of household size because they believe it will increase member involvement and enlarge the pool of potential co-op directors. This can be achieved by:

- Adopting Version A and allowing each member of a joint membership a vote, or
- Adopting Version B, the “principal and associate member” option.

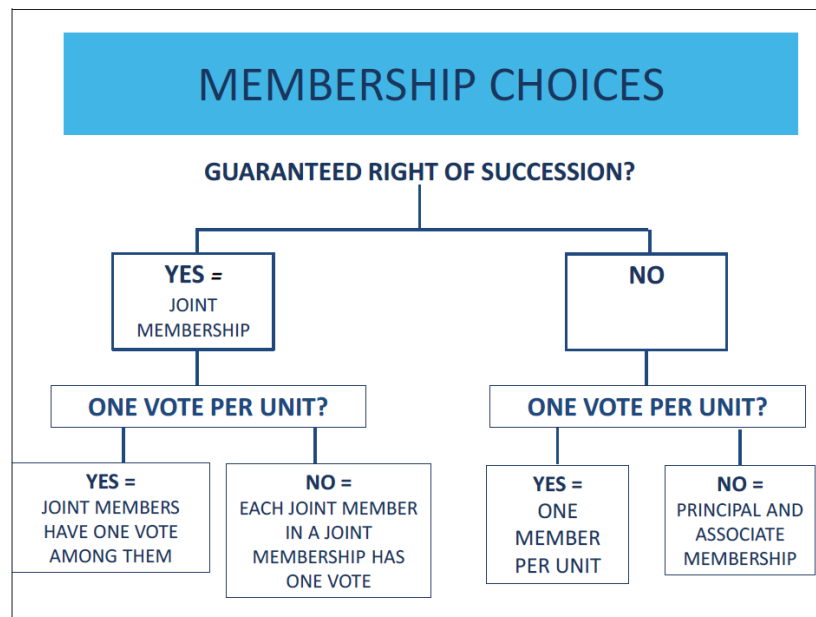
Other Considerations

No matter which membership model you choose, don't overlook the importance of a rigorous member selection process. Selection of good members is crucial to the success of co-ops now and in the future – not just for new applicants but wherever a member has a new partner or guest who might apply for membership in the future. This is especially important if you have decided on a guaranteed right of succession for remaining or surviving members.

All the available membership models have worked perfectly well for housing co-ops over the years, so don't be nervous about considering all the options.

You should have the discussion and decide on a membership model before selecting which version of Model Rules 2.0 you will work on.

This diagram below may help you in your discussion.



Versions A and B differ in the following Rules: 2.1, 2.2, all of 3, 4.2, 11.1 and 16.1.

This is part of the Model Rules 2.0 document collection.

