

ONTARIO TENNIS ASSOCIATION - MODEL PROVISIONS FOR ARTICLES OF
INCORPORATION UNDER THE NOT-FOR-PROFIT CORPORATIONS ACT (CAN).

ONTARIO TENNIS ASSOCIATION – MODEL PROVISIONS FOR ARTICLES OF INCORPORATION UNDER THE NOT-FOR-PROFIT CORPORATIONS ACT (CAN).

PROVISIONS FOR NFP TENNIS CLUB ARTICLES

Note: See also the Corporations Canada Instructions for Articles of Incorporation (Form 4001) for additional guidance. Web Link http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03925.html

THE OTA RECOMMENDS THAT MEMBERS SHOULD SEEK LEGAL ADVICE WHEN INCORPORATING THEIR CLUB IN ORDER TO UNDERSTAND THE ONGOING RESPONSIBILITIES THIS ENTAILS

1. Name of the corporation:

Note: A NUANS search is required unless a number name is requested.

● Tennis Club

2. The province or territory in Canada where the registered office is situated:

Ontario

3. Number (or minimum and maximum number) of directors:

A minimum of three (3) and a maximum of ●.

OR ● [Fixed Number – we recommend not fixing the number but if you do so we suggest you provide for at least three (3)]

4. Statement of the purpose of the Corporation:

The purpose of the corporation is to operate a tennis club in the [● area of ●], and in that respect to promote the sport of tennis including by joining the Ontario Tennis Association and any other applicable regional tennis organizations and to otherwise carry on such other activities as are reasonably incidental to or in furtherance of such purposes.

Restrictions, if any, on business the corporation may carry on:

[None].

5. The classes (or regional or other groups) that the Corporation is authorized to establish:

Note: Unless articles otherwise provide, each member is entitled to one vote. If two or more classes or groups of members, at least one class or group must have the right to vote (s.154 of the NPCA).

The corporation is authorized to establish Adult voting members and Junior non-voting members as follows:

- (a) The Adult voting members shall be paid up members of the corporation and shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Adult voting member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class.
- (b) Except as otherwise provided by the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c.23 the Junior non-voting members shall not be entitled to receive notice of, attend or vote at meetings of the members of the Corporation.

6. Statement regarding the distribution of property remaining on liquidation:

Note: Registered charities, soliciting corporations and other corporations that receive more than \$10,000 in donations in any financial year within 60 months prior to dissolution must include the following paragraph (s.235).

Any property remaining on liquidation of the Corporation, after discharge of liabilities, shall be distributed to one or more qualified donees within the meaning of subsection 248(1) of the *Income Tax Act*.

7. Additional provisions, if any:

Note: use one or both of the following two paragraphs ONLY if you wish to require a greater number of votes than required by the NPCA for actions by directors or members (s.7(4)) – NOT RECCOMENDED .

- (a) In order to be effective, any resolution passed at a meeting of directors shall require the affirmative vote of at least ● percent of the directors.
- (b) In order to be effective, any ordinary or special resolution passed at a meeting of members, other than a resolution to remove one or more directors of the Corporation, shall require the affirmative vote of not less than ●% of the votes cast.

Note: Include the following paragraph if the corporation wishes to have a lien on memberships for a debt of a member owing to the corporation (s.36(2)).

- (c) The Corporation shall have a lien on a membership registered in the name of a member or the member's personal representative for a debt of that member to the Corporation including in respect of any unpaid membership dues or other charges.

Note: Include the following paragraph to provide the directors of the corporation the right to appoint one or more additional directors as permitted by s.128(8).

- (d) The directors of the Corporation may appoint one or more directors of the Corporation but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of members of the Corporation. Any directors of the Corporation appointed pursuant to the previous sentence shall hold office for a term expiring not later than the close of the next annual meeting of members.

Note: Non-profit clause for registered charities (CRA suggested language).

- (e) The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in furtherance of its purposes.

Note: Remuneration of directors clause for registered charities (CRA suggested language).

- (f) Directors shall serve without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such, provided that a director may be reimbursed for reasonable expenses incurred in performing his or her duties. A director shall not be prohibited from receiving compensation for services provided to the corporation in another capacity.

Note: Include the following paragraph to limit the authority of the directors to borrow without authorization of the members (s.28)

- (g) If authorized by a by-law which is duly adopted by the directors and confirmed by ordinary resolution of the members, the directors of the corporation may from time to time:
 - (i) Borrow money on the credit of the corporation;
 - (ii) Issue, reissue, sell, pledge or hypothecate debt obligations of the corporation; and
 - (iii) Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation.

Any such by-law may provide for the delegation of such powers by the directors to such officers or directors of the corporation to such extent and in such manner as may be set out in the by-law.

Nothing herein limits or restricts the borrowing of money by the corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the corporation.