

DATE: December 5, 2025

TO: Chair and Directors
Regional District Board

FROM: James Warren
Chief Administrative Officer

FILE: 5040-01

Supported by James Warren
Chief Administrative Officer

J. Warren

RE: Comox Valley Housing Authority Creation

Purpose

To provide information and seek board feedback on key elements respecting the proposed Comox Valley Housing Authority (CVHA) prior to consideration of formal approval.

Recommendation from the Chief Administrative Officer:

THAT the formation of the Comox Valley Housing Authority as a Local Government Corporation be approved;

AND FURTHER THAT staff be directed to submit a request to the Inspector of Municipalities for approval with the draft Articles of Incorporation and Business Plan as set out in the staff report dated December 5, 2025.

Executive Summary

- In 2023, the board provided strategic direction for the development of a vehicle for regional housing collaboration, coordination, advocacy and development focused on non-market rental housing. This initiative has been advanced through initial study work, creation of the legislative and financial framework and most recently, a process to engage with interested and impacted groups and define the key elements of a regional district-owned corporation.
- This report brings forward a summary of the feedback received through the engagement process, and the draft constituting documents of the proposed CVHA which consist of the Articles of Incorporation (Articles) and Business Plan.
- Informed by the feedback received, the proposed mandate and services will enable the Comox Valley Regional District (CVRD) to work cooperatively within the existing non-profit housing ecosystem to facilitate new non-market rental housing projects by directly addressing the main barriers

facing these organizations. Importantly, this partnership-based approach also means the CVHA can play a direct role in developing a regional portfolio pipeline of affordable housing projects, a stated interest of Build Canada Homes as they look to achieve scale and increased capacity.

- The key benefits of the regional district-owned corporation model are:
 - inclusion of housing development expertise on the Board of Directors
 - flexibility to undertake a wide range of services and activities aligned with the company mandate
 - ability to generate revenue to invest in new housing projects
 - minimize and allocate risk
 - ownership and control by the CVRD
- Before the CVHA can be incorporated and launched, approval by the Board and the Inspector of Municipalities (Inspector) must be confirmed. This report recommends approval of the company's formation and that the board also direct staff to seek the necessary approval from the province.

Background/Current Situation

Recent housing assessments have identified a significant regional need for affordable/non-market housing to serve low- and moderate-income households that cannot financially attain average market rental rates. Such housing is currently delivered through a variety of non-profit organizations with funding support from senior government housing agencies. In recognition of the significant and urgent need, and in alignment with the CVRD's Regional Growth Strategy, Direct Action Approaches Study, and Poverty Reduction Assessment and Strategy, the board has advanced the creation of a local government housing corporation to serve as the vehicle to facilitate the creation and preservation of non-market rental housing.

Under Service 450, Comox Valley Housing, the board approved a [work plan](#) to engage with interested parties to obtain feedback on the entities proposed mandate and services, structure, and governance. Such engagement is an important step to help shape the structure and business plan and ensure a solid value proposition exists for the entity's creation. In addition, the Inspector looks for such engagement and feedback in their consideration of whether to approve the creation of local government corporations.

Attached as Appendix A to this report, is the What We Heard Report summarizing the feedback received from the engagement process that took place in September and October of this year. The list of organizations is provided as Appendix E. While there was a diversity of perspectives, the key themes from the feedback are as follows:

- Avoid duplication and competition
There was consistent feedback that the housing entity should not duplicate existing resources and compete with existing non-profit housing providers for senior government funding. In this respect, there was general support for the proposed services and immediate focus of the housing authority in securing land and providing financial support to assist local partners in developing comprehensive proposals for new affordable housing projects.
- Include individuals with experience and expertise on the entity's board
There is widespread support for a hybrid governance model in which the board composition includes both CVRD Elected Officials and external individuals with specific expertise and experience in housing development. The need and value for the direct participation of CVRD Elected Officials was commonly noted but feedback also suggested that the majority of the board should consist of individuals with skillsets that are aligned with the objective of the authority. The proposed composition of the Board of Directors is described in the subsequent section of this report concerning the Articles.

It is noted that these themes are aligned with the draft Business Plan and Articles for the housing entity that are being presented with this report.

Business Plan and Articles of Incorporation

The Business Plan, provided as Appendix B, defines the company's proposed services/functions, its staffing model, and management and financial plans which demonstrate its feasibility. The Business Plan provides for a broad and all-encompassing description of its activities in recognition that the company may experience some evolution and growth of services over time based on needs and conditions within the Comox Valley. As noted in Five-Year Strategic Plan Section, it is proposed that the CVRD provide initial direction to the CVHA to focus its resources and capacity on the core needs and gaps that have been identified through the engagement process (e.g. provision of project development funding and regional land inventory).

In addition to the core roles outlined, the housing authority will also bring value by serving as an information and referral resource to assist housing organizations and local governments in navigating affordable housing projects from conception to approval. The regional district and its member municipalities will continue to administer their regulatory processes but the authority can serve as an intermediary to assist and support the advancement of projects, reducing certain demands on local government staff. Exploring and defining the exact role and relationship between the local governments and the authority is an immediate task for the board and executive director once launched.

Articles of Incorporation are a requirement of all corporations, establishing the rules and requirements for the corporation, the shareholder(s) and directors. The Articles, attached as Appendix C, have been developed in alignment with the Business Plan and feedback from the board and the engagement process. The draft Articles include the share structure for the CVHA, which consist of one class of common shares to be held by the CVRD, the sole shareholder. Governance of the corporation is proposed as a ten-person board consisting of:

- CVRD Board Members (four)
- Individuals with expertise and experience in the development or operations of private or non-profit housing (three);
- Individual with expertise or experience in the financial sector (one);
- Individual with expertise or experience in the legal sector (one); and
- Individual nominated by K'ómoks First Nation (one). It is noted that K'ómoks First Nation is not obligated to fill this director position.

It is further proposed that the CVRD Board will hold the authority to appoint the Directors of CVHA with the Elected Chair of the CVHA being one of the Independent Directors.

Together with a forthcoming Partnering Agreement, the Articles are a key mechanism of control of the corporation by the CVRD. The degree of control is at the discretion of the CVRD board and can be amended in the future should changes be desired or necessary.

Partnering Agreement

As local governments are restricted from providing general assistance to business, a Partnering Agreement serves to enable a person, public authority or private business to provide a service on behalf of the local government in exchange for funding or other benefits. In this case, the Partnering Agreement with the CVHA would enable the CVRD to provide funding or other assets as outlined in the Business Plan subject to any specified requirements. As part of the launch of the CVHA, an initial Partnering Agreement is planned to provide startup capital to support initial tasks such as staff and board recruitment. Following this process, a longer term (e.g. three year) Partnering Agreement would be developed and considered by the CVRD and CVHA Board and include certain requirements and other mechanisms of support and control (e.g. CVRD Board approval of strategic plan). A summary of the key mechanisms of control of the CVHA is provided as Appendix D to this report.

The initial Partnering Agreement will be brought forward to the board for consideration at a future meeting, subject to the board’s endorsement of the formation of the CVHA and approval also being received by the Inspector of Municipalities. Should such approval be received, the following actions are anticipated:

Timeline	Action
Q4 2025 – Q1 2026	- CVRD Board consideration of approval of formation of CVHA and submission of request to obtain approval of the Inspector of Municipalities.
Q1 2026	- CVRD Board consideration of draft 2026-2030 Financial Plan for Service 450, Comox Valley Housing. - Finalization of Articles and incorporation of CVHA
Q1 - Q2 2026	- CVRD Board consideration of initial Partnering Agreement to provide startup capital.
Q2 - Q3 2026	- Recruitment and appointment of CVHA Board of Directors - Recruitment of CVHA Executive Director
Q3 – Q4 2026	- CVRD Board and CVHA Board consideration of Partnering Agreement
Q4 2026 – Q1 2027	- Development of CVHA Strategic Plan, mission, vision and values statements - Initiate creation of land inventory for non-market housing development - Initiate allocation of project development funding

Options

The following options have been identified respecting this report:

1. Approve the formation of the CVHA as presented and direct staff to seek approval by the Inspector. This option forms the recommendation of this staff report.
2. Provide specific direction for changes to the Articles and/or Business Plan. Subject the Board’s direction, staff could then incorporate the changes and then proceed with seeking approval from the Inspector.
3. Direct staff to undertake further engagement or research into specific aspects of the draft Articles and/or Business Plan, or other aspects of the planned delivery of the Comox Valley Housing Service.

Financial Factors

The CVRD does not have the financial means alone to address the region’s acute need for non-market housing, as detailed in the *CVRD Housing Needs Assessment*. For this reason, a multi-faceted and collaborative approach has been developed

and articulated in the attached Business Plan for the CVHA. With limited funding available and a reliance on partnerships and cooperation with other housing agencies and organizations, the CVHA must carefully and adeptly allocate its capacity and resources to maximum results in the provision of new affordable housing units.

Through the 2025-2029 Financial Plan, the board established an annual requisition of approximately \$880,000 that is intended to fully fund the CVHA. The attached Business Plan details the near-term plan for use of the funding while acknowledging the potential ancillary activities that may develop over time.

The provision of funding to the CVHA will be subject to future board approval of the Partnering Agreement and the prerequisites outlined therein (e.g. strategic plan).

Strategic Considerations - Strategic Drivers							
Fiscal Responsibility		Climate Crisis and Environmental Stewardship and Protection	Community Partnerships	✓	Indigenous Relations	Accessibility, Diversity, Equity and Inclusion	✓

The development of the CVHA is directly aligned with the Strategic Drivers of:

- Community Partnerships: One of the proposed core activities of the CVHA is the formation of partnerships with community housing organizations to identify available land and provide project development funding to stimulate the creation of new non-market rental housing projects.
- Accessibility, Diversity, Equity, and Inclusion: Non-market housing supports equity and inclusion by addressing socioeconomic barriers and ensuring everyone has access to safe and stable housing regardless of income, background, or ability.

Strategic Considerations - Regional Growth Strategy Goals						
Housing	✓	Ecosystems, Natural Areas and Parks	Local economic development		Transportation	
Infrastructure		Food Systems	Public Health and Safety		Climate Change	

The development of the CVHA is aligned with the Regional Growth Strategy goal related to housing as it supports a diversity of housing options to meet evolving demographics and needs.

Intergovernmental Factors

As part of the engagement process undertaken by staff and the consulting team, engagement was conducted with senior staff and elected officials from all three of the member municipalities. Their feedback has been incorporated into the What We Heard Report attached as Appendix A.

Citizen/Public Relations

The What We Heard Report, attached as Appendix A, details the engagement process undertaken with interested and affected partners and community organizations.

Broad public engagement concerning the creation of a housing authority was undertaken through the Alternative Approval Process (AAP) that was conducted in January-February 2025 respecting the proposed bylaw amendment to create the Comox Valley Housing Service and provide support to a CVRD-owned housing corporation. Through this process, public information was provided by way of the CVRD website, newspaper and radio advertisements, a public open house, news releases and a social media campaign.

Through the AAP, elector approval was achieved and the Board subsequently adopted Bylaw No. 850 being “Emergency Shelter and Supportive Housing Land Acquisition Service Establishment Bylaw No. 52, 2009, Amendment No. 1”.

A further public information campaign on the creation of the CVHA has also recently been initiated to inform the public on the CVHA’s specific purpose, services and budget. This initiative was considered and supported by the board in September of 2025 as part of the corporate-wide proactive communication strategy. Information will be provided through an educational video, social media campaign, and an advertorial in the Comox Valley Collective.

Attachments: Appendix A – What We Heard Report
 Appendix B – Draft Business Plan
 Appendix C – Draft Articles of Incorporation
 Appendix D – Summary of Controls over CVHA
 Appendix E – Engagement List



Comox Valley Housing Authority
November 2025

WHAT WE HEARD

OVERVIEW

This paper presents the feedback gathered by the Comox Valley Regional District through engagement with the community on the proposed Comox Valley Housing Authority.

The paper begins with a background section that introduces and describes the Authority. Following background, the paper outlines the engagement approach that was developed and executed for the initiative. Feedback provided by governments, housing agencies and individuals is then presented. Common themes are highlighted.

The paper ends with a section to identify key pieces of feedback that have been incorporated into the design of the Housing Authority, as outlined in the entity's *Business Plan and Articles of Incorporation*.

BACKGROUND

The Comox Valley Regional District (CVRD) wishes to establish the Comox Valley Housing Authority to help address the need in the Comox Valley for non-market rental housing.

Structure

The Housing Authority is being structured as a local government corporation, created by the Regional District pursuant to section 263(1)(f) of the *Local Government Act*, and incorporated under the *Business Corporations Act*. A board of directors will be appointed by the CVRD as the Authority's autonomous governing body. The board, as set out in the Authority's *Articles of Incorporation*, will be

responsible for guiding and overseeing the Authority's work, and for setting priorities for the Authority in support of the agency's mandate.

Mandate

The Housing Authority's is being established to increase the inventory of non-market rental housing units in the Comox Valley. The entity's immediate mandate will focus on providing targeted, project development funding to non-profit housing agencies that are seeking federal and provincial project funding. Support provided by the Authority will help to advance project proposals at the application stage. Support will leverage the resources and expertise of existing non-profits to bring to the region the investment required for new non-market rental units.

The Authority will serve as an information and referral resource for local government staff and elected officials, non-profit societies and developers, as well as regional and provincial housing associations and agencies. The entity will work to connect housing agencies with interested parties and local governments in the region to facilitate development. The Authority will also create and maintain an inventory of lands that are considered viable for the development of non-market housing.

The Housing Authority's *Business Plan* anticipates that the entity may administer, on behalf of local governments in the region, housing agreements that set terms for the delivery and operation of non-market rental housing. Housing management services for rental housing under the control of the Authority may also be pursued. It is expected, however, that management services will rely on

partnerships with non-profit operators for the foreseeable future.

The Authority will be able under its mandate to directly develop non-market units. Similar to housing management, however, it is not expected that the Authority will pursue direct development in the foreseeable future given the entity's limited resources, and its immediate focus on supporting the efforts of existing non-market housing providers.

Finally, the Authority's mandate enables the entity to acquire, hold and sell freehold land, air space parcels and strata-titled properties for residential uses. The Authority will be able, as well, to acquire and hold properties through leases with local governments in the region.

Governance and Operations

As a local government corporation, the Housing Authority will be governed by its own board of directors. The board will oversee and guide the Authority's operations. It will create a strategic plan with a set of priorities to direct the entity's use of resources in support of its mandate. All directors will be appointed by the CVRD Board of Directors. A term limit of six years will be in effect.

The *Business Plan* for the Housing Authority envisions one full-time Executive Director supported by contracted services for administration, finance and legal services as needed. Project-specific development consulting services would be procured as required to bolster the Executive Director's capacity in advising the board and fulfilling the Authority's mandate.

The Authority is expected to receive \$880,000 in annual funding from the CVRD under the terms of a partnering agreement. Of this amount, \$630,000 will be available to support the Authority's initiatives, including those focused on the provision of project development funding for existing non-profits.

ENGAGEMENT APPROACH

Engagement with affected parties and interested groups was identified early in the Comox Valley

Housing Authority initiative. Three objectives for engagement were set out:

- to provide information to audiences on housing affordability challenges in the Comox Valley, and the specific need for additional non-market units
- to outline the proposed Comox Valley Housing Authority, including its value proposition, mandate, legal structure, costs and revenues, governance and operating models
- to obtain feedback on the initiative, including the value proposition, mandate, board composition and other elements

Engagement with affected and interested parties occurred over a three-month period beginning August 2025. Three audience groups were created and engaged as follows:

- *Non-Profit Housing Sector* — Fourteen non-profit societies with experience and/or interest in the development or management of various types of non-market housing in the Comox Valley participated in a facilitated group session on the initiative. Separate virtual meetings were held with one additional non-profit housing agency, and with the head of the BC Non-Profit Housing Association.
- *Development Sector* — A group session was held for representatives of multi-family homebuilders and development companies. For-profit development firms partner with non-profits to build new units, and at times include non-market units in market development projects. Separate virtual meetings were held with representatives of two firms, and with the head of the Vancouver Island Construction Association. In all, invitations to engage were extended to several; four participated.
- *Government / First Nations* — The three municipalities in the Comox Valley (including the CVRD itself) were identified for engagement in this audience, along with K'ómoks First Nation, BC Housing and CFB

Comox. Individual meetings were held with the Chief Administrative Officers and Development Services leads of the three municipalities. A separate meeting was organized to engage with K'ómoks First Nation Council and senior staff. Virtual discussions occurred with the CEO of BC Housing, and with two representatives of CFB Comox involved in the development of housing for Canadian Forces personnel.

In mid-October the Housing Authority project team facilitated a discussion on the initiative at a gathering of all local elected officials in the Comox Valley. Mayors and councillors from the three municipalities attended the event, as did the CVRD Board of Directors, elected representatives of the K'ómoks First Nation and elected trustees of the School District.

FEEDBACK PROVIDED

Participants in the various engagement discussions were asked for feedback on the proposed Housing Authority. General feedback was sought, as was specific feedback on the entity's proposed mandate and the composition of the Authority's board of directors. Common themes that emerged are presented in this section of the paper, beginning with two themes that were most consistently raised in discussions.

Most Consistent Themes

Two themes emerged consistently during the discussions:

- *Avoid Duplication and Competition* — Many participants in the engagement process stated that the Housing Authority should not duplicate the housing development and operation efforts of existing non-profit housing providers. Duplication, it was noted, would place the entity in competition with existing agencies for provincial and federal funding. There was general support for the proposed mandate of the Housing Authority, with an immediate focus on the provision of project development funding aimed at bolstering the applications of existing providers.
- *Include Individuals with Experience and*

Expertise on Board — Support for a hybrid board of directors, comprised of elected representatives of the CVRD and non-elected individuals with development-related expertise and experience, was widespread. Also widespread was support for Indigenous representation in the form of an independent Director nominated by the K'ómoks First Nation Council. Finally, there was strong support for having non-elected individuals, together with the independent director nominated by K'ómoks First Nation Council, form a majority of the board. Such a board, it was expressed, would have the knowledge, autonomy and nimbleness to identify, assess and act on opportunities, within the Authority's mandate, in response to changes in the affordable housing landscape.

Mandate

Feedback on the Authority's proposed mandate included the following themes:

- General support for the immediate focus on providing project development funding to support the applications of existing non-profit housing organizations for provincial and federal funding. Participants recognize that project development funding provided available through BC Housing and other sources is scarce. Additional funding through the Housing Authority will be important and welcome. Participants also recognize, however, that the limited funding available to the Authority will require the entity to focus on supporting a small number of applications, at least in the entity's early years.
- Support, as well, for the Authority's proposed roles as an information and referral resource, "match-maker" (coordinator) and facilitator of partnerships, and creator and manager of a land inventory.
- Important to assess candidate projects for project development funding carefully to ensure strong business cases exist. The Authority will have limited funds to invest. To build and maintain support, the Authority will

need to identify and back proposals that have a strong business case, and a significant chance to receive provincial or federal funding.

- Appreciation that the Authority has the ability under its mandate to acquire units in projects, and, as capacity builds, to consider direct development. Strong concern on the part of non-profits and others, however, that direct development would set up the Authority to compete with local non-profit groups for provincial and federal funds (see earlier under Most Consistent Themes).
- Authority's success will be rooted in its ability to partner with, and leverage the contributions of, non-profit groups, for-profit developers and others with housing-related resources and opportunities. Any potential for the Authority to compete with local groups would be problematic.
- Opportunities to partner with K'ómoks First Nation on projects that clearly benefit K'ómoks First Nation members, will be important to identify and pursue. K'ómoks First Nation may have access to funding at other levels of government that could be leveraged through a partnership.
- Provision of project development funding, on its own, does not require or warrant the establishment of a local government corporation. Structuring the authority as a corporation, however, allows the entity to expand into other parts of its mandate (e.g., acquisition of units and lands, development of units) over the long-term as opportunities and needs arise, and as capacity grows.
- Care and regular communication will be needed to ensure that the Authority assists municipalities, rather than adding to the existing work of municipalities, in liaising with non- and for-profit housing agencies involved in the development of non-market rental housing. Municipal resources are limited — Authority will need to demonstrate that its involvement benefits municipalities. The

Authority's ability to filter the list of potential projects, and in so doing to reduce the breadth of inquiries to municipalities, could provide value.

- Authority may be able to provide added value within its broad mandate by:
 - coordinating a regional portfolio of projects under federal and provincial housing programs
 - providing public education on affordable housing to build community support
 - fielding certain enquiries on behalf of local governments from non-profit groups on opportunities and constraints
 - directing a portion of its resources to offset development charges and servicing costs incurred by non-market housing projects
 - working with local governments to streamline processes, harmonize practices and identify other changes to facilitate non-market housing development
 - advocating to provincial and federal governments on behalf of, and in collaboration with, local non-profit housing organizations for increased funding for underlying infrastructure (e.g., water, sewer), housing programs and policy changes

Board Structure

Interested parties understand that the Authority, as a separate legal entity created by the CVRD, would be governed by its own board of directors. Parties understand, further, that while the Authority is expected to promote the stated housing-related priorities of the CVRD, and that while the Authority is ultimately accountable to the CVRD, the Authority's board is expected to operate with a high degree of autonomy.

All parties were asked during engagement for feedback on board composition. The most consistently raised theme, noted earlier, was the desire for a hybrid board, with a majority comprised of non-elected officials with expertise and experience in development-related matters, together with the independent director nominated

by K'ómoks First Nation Council. Other points put forward by participants are as follows:

- The importance of ensuring Indigenous representation on the board was highlighted by many participants.
- The preference for a hybrid board with a majority of non-elected officials notwithstanding, participants on the whole emphasized the value in having elected members of the CVRD as directors. The presence of these appointees, supported by CVRD staff where deemed important, would help to ensure alignment with CVRD objectives and priorities.
- Important to avoid conflicts of interest — actual and perceived — in selection of non-elected individuals for the board. In practice, would mean that individuals involved in, or with clear ties to, housing agencies with projects that may be considered by the Authority for project development support could not be appointed as directors to the Authority's board. Some participants feel that it will be challenging in a relatively small region to find individuals who have experience in housing development or operation, but who are not connected to an agency interested in support.
- Some participants suggested that consideration be given in structuring the board to individuals with lived experience.

Operations

Feedback on the operating model was provided:

- Some concern expressed that the anticipated annual budget (\$250,000) for administration (including staffing) is too large a percentage of the total CVRD contribution (\$880,000). Some interested parties suggest that the CVRD increase the annual contribution, within the authorized limits. Some suggest that, at a minimum, the annual contribution be adjusted to account for inflation each year. Others suggest that the administration budget be reduced.

- Some participants felt that the proposed staffing model, focused on an Executive Director with limited support, is overly lean. This leanness, some expressed, may make it difficult for the Authority to fully deliver its mandate. This point stands in contrast to the previously noted point.
- Most participants emphasized the importance of appointing to the position of Executive Director an individual with demonstrated skills and extensive experience in affordable housing projects.
- There may be opportunities for the Authority to work with municipalities (and others) to provide “stack funding” for projects. Some of the municipalities may have dedicated reserve funds available to contribute.

Other Feedback Themes

Participants provided other feedback of a more general nature. Consider the following themes:

- Funding programs, and the total amount of funding available, for new affordable housing projects from provincial and federal agencies are expected to change in the near future. Changes will have implications for the Housing Authority.
- Community acceptance of non-market housing developments persists as a challenge. Ongoing education and advocacy will be important.
- Housing Authority will need to ensure that it does not become an additional level of bureaucracy for non-profit agencies in their search for support. Some participants are concerned with “one more layer”.
- Given that the development cycle for new development projects can last several years, the Authority may be challenged to maintain support and demonstrate clear and early returns on investment. Expectations will need to be stated clearly; regular communication will be important. The Authority will need to avoid

over-promising and under-delivering, especially in its early years.

- The conversion rate that measures the number of projects, and the number of non-market rental units, developed with Housing Authority investment will be important to monitor.
- Some participants want the Housing Authority to directly develop and/or acquire projects. The entity's mandate allows for both activities; however, its funding model makes significant development and acquisition difficult in the foreseeable future. Concerns related to competition with existing providers add to the need for caution, since both activities could require the Authority to compete with others for provincial and federal monies.
- Needs across the housing continuum are significant. The Authority will need to pay close attention to its mandate and its resource constraints. Focus will be critical — the Authority cannot serve the needs of all groups.
- It will be important to review the Authority at regular intervals to assess performance and, where necessary, make adjustments. Adjustments may be needed to ensure the Authority remains adaptive, within its mandate, to changing conditions.
- Transparency in the launching and operations of the Authority will be important so that the public understands how decisions are made.

INCORPORATING THE FEEDBACK

All of the feedback provided through the engagement process on the proposed Housing Authority is important and has been considered carefully by the CVRD. Key pieces have been incorporated into the entity's structure, mandate, governance model, operating model and other aspects. Consider the following points:

- *Mandate* — The mandate for the Authority is broad in order to give the entity's board the flexibility to identify, assess and pursue a broad range of opportunities aimed at increasing the

supply of non-market rental housing. The Authority's immediate focus, however, will be on the provision of project development funding to existing housing agencies, the creation and management of a land inventory, the coordination of potential partners, and related activities. The Authority is not expected to directly develop non-market rental housing in the foreseeable future.

- *Board Composition* — The proposed Board composition features a hybrid of CVRD elected officials, and non-elected officials who, for the most part, would be selected for their expertise and experience in housing development and/or operation. One independent director would be appointed by the K'ómoks First Nation Council to ensure Indigenous representation. Independent directors would constitute the majority.
- *Operations* — The operating model features 1.0 FTE in the form of a full-time Executive Director, supported by a potential 0.5 FTE for administrative support. The additional 0.5 FTE may be replaced by contracted support services.



Comox Valley Housing Authority Business Plan

November 2025

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CVRD Housing Authority Overview

The Comox Valley Housing Authority (CVHA) is being established to address a significant gap between the need for and demand for non-market housing in the Comox Valley Regional District (CVRD). This supply gap was identified in the CVRD's initial *Housing Needs Assessment Report* completed in 2020, as summarized in Appendix A.

The creation of a housing authority/corporation was a key recommendation outlined in the *Direct Action Approaches Final Report*, dated September 24, 2024. The CVHA will be wholly owned by the Comox Valley Regional District (CVRD) and incorporated under British Columbia's Business Corporations Act.

The CVHA aims to increase the supply and diversity of non-market housing in the Comox Valley Regional District. Its scope of services and objectives in the initial five-year strategic plan are based on the recommendations made in the *Direct Action Approaches Final Report*.

The CVHA will actively seek opportunities to collaborate with various partners to provide housing solutions for low-to-moderate income households, focusing on the middle segment of the housing continuum. Potential partners may include private organizations, nonprofit entities, and other levels of government.

Strategic Context

The Comox Valley Regional District's *Housing Needs Assessments* have consistently identified a significant gap between the need for non-market housing units and the number being produced each year. In response, the CVRD commissioned a report to identify options to close this supply gap.

The *Direct Action Approaches Final Report* identified three pillars of need, and recommended the creation of a CVRD-owned housing authority/corporation to expedite the creation of non-market housing.

The three central pillars of need identified in the report were:

1. **The need to build.** As documented in the *Housing Needs Assessment*, the CVRD is not reaching its housing development goals, and there is an acute need for more non-market housing supply.
2. **Financial and capacity-building support.** Local non-profits need support to reduce barriers to accessing senior government housing subsidies.
3. **The need for land;** the lack of access to land is a key barrier to the creation of non-market housing.

This Business Plan provides the framework to address these three pillars of need, based on the available financial resources and the following assumptions:

- The creation of non-market housing requires significant subsidies, and the Federal and Provincial Governments are the primary sources of those subsidies.
- While Local Governments do not have the financial capacity to replace senior government housing supply subsidies, they have a key role in facilitating non-market housing developments.
- Federal and Provincial non-market housing supply programs are not consistently available and are highly competitive.
- The CVHA should support, not compete with or duplicate, the existing capacity and expertise in the non-market housing sector to attract senior government housing subsidies in the Comox Valley.
- The CVHA should seek partnership opportunities with the private and non-profit sectors, independent of senior government supply programs.
- Recent changes in the financial and real estate markets have created a challenging environment that has significantly impacted the viability of purpose-built market and non-market rental developments. Relevant risk factors include construction cost inflation, increasing interest rates, and labour shortages.

Service Description

The Comox Valley Regional District Housing Authority's *Articles of Incorporation* will enable the entity to conduct the following activities, in accordance with its mandate:

1) Housing Development

Create housing through a direct delivery model and through partnerships with other real estate development entities. For direct delivery, the CVHA will be responsible for securing land, project development financing, obtaining all required local government approvals, and hiring and overseeing design consultants and building contractors.

The CVHA may also enter into partnership agreements with private, public, and non-profit sector entities to deliver on its mandate. These partnerships will enable the CVHA to use external resources, expertise, and innovation. For housing created through partnerships, the CVHA may take part in joint ventures as an equity partner, provide project development funding, buy pre-sale units and /or purchase existing units or entire buildings, and provide

project development funding to non-profit organizations pursuing senior government funding. Allocating project development funding to stimulate the supply of non-market housing will be one of CVHA's key initial strategies.

2) Information and Referral Resource

Function as a regional information and referral source for local government staff, elected officials, non-profit societies, developers, as well as regional and provincial housing associations and agencies. The creation and maintenance of an inventory of land considered viable for the development of non-market housing will be one key aspect of this function.

3) Land and Unit Acquisition

Acquire, hold and sell freehold land, air space parcels and strata-titled properties for residential uses, as well as non-residential real estate assets ancillary to residential uses. The CVHA will also be able to acquire and hold properties leased to the Authority by local governments, including the CVRD and its member municipalities.

4) Property Management

Provide property management services for rental housing it develops, acquires, or manages. These services will include, but are not limited to, tenant management, building maintenance, and capital repair programs to ensure that housing is properly maintained and available to eligible tenants. These services will be delivered in accordance with any requirements and/or restrictions stipulated by third-party funders. At the outset, CVHA housing operations are anticipated to be done in partnership with the non-profit sector. Over time, with sufficient qualified resources, the CVHA could provide property management services directly.

5) Housing Administration

Provide housing agreement oversight of non-market housing operated directly by the CVHA or by third parties, to ensure compliance with Housing Agreements or other funding and operating partner agreements. This oversight will typically involve reviewing all information submitted in accordance with reporting requirements, including tenancy and rental rate information, financial statements, routine maintenance, inspections, and capital repairs.

Five-Year Strategic Plan

The CVHA will create and implement a five-year Strategic Plan focused on the three main needs identified in the Direct Action Approaches Final Report. The Housing Authority Board and the Executive Director will work together in a collaborative and facilitated process to establish realistic qualitative and quantitative deliverables that can be achieved within the first five years of the organization's operations. These deliverables may include:

- 1) The creation and maintenance of a list of properties that have the potential to be used for the development of non-market housing, as recommended in the *Direct Action Approaches Final Report*.
- 2) A communications plan that creates an awareness of the entity within the Regional District and with senior government funders, private and non-market associations and other key players in the non-market housing development and operating sectors at the regional, provincial and national levels. This may include a website, a series of presentations for local governments, and relevant sector association meetings and conferences.
- 3) An annual allocation from the Non-Market Housing Reserve Funds through a solicitation process and evaluation criteria approved by the Board. One option is to allocate "project development funding" to non-profit organizations pursuing federal and provincial non-market housing supply programs. This funding has been identified as a gap in the in the current non-market housing funding system.

A five-year timeline is the minimum recommended period for the entity to establish itself within the complex system of multiple partners involved in creating non-market housing in British Columbia and to show tangible results, the typical development cycle of non-market housing projects.

Management Plan

Legal Structure

The Comox Valley Regional District will create the Corporation pursuant to the Regional Districts' authority under Section 265 of the *Local Government Act*. The Housing Authority will be a company incorporated under the *Business Corporations Act* of British Columbia.

The Comox Valley Housing Authority Board of Directors will govern the business affairs of the Housing Authority in accordance with the *Articles of Incorporation*, a *Partnering Agreement* with the Regional District and formal direction from the Regional District as the sole shareholder.

Board Composition

The CVHA's Board of Directors will include ten Board Members, who will be appointed by the Regional District, including:

- Four Regional District Board Members
- Three Independent Board Members with expertise or experience in the development and operations of private or non-profit housing.

- One Independent Board Member with expertise or experience in the financial sector.
- One Independent Board Member with expertise or experience in the legal sector; and
- One Independent Board Member nominated by K'omoks First Nation Chief and Council.

Notes:

The Board of Directors may establish committees to facilitate CVHA's work as described in Section 18.2 of the *Articles of Incorporation*.

Code of Ethics

The CVHA will develop a code of ethics based on the following six principles:

- Integrity
- Objectivity
- Competence
- Confidentiality
- Professionalism
- Equity & Inclusion

The Board of Directors will also be governed by the conflict-of-interest provisions set out in Section 16 of the *Articles of Incorporation*.

Staffing Model

The CVHA's initial staffing complement will be limited to one full-time position of Executive Director, with an option for a 0.5 FT administrative support role. The CVHA Board will consider the appropriate model for the delivery of administrative support requirements during the formation and start-up phase of the Authority. Options for providing support during this phase include CVRD services and contracted services.

Executive Director

Reporting to the CVHA Board of Directors, the Executive Director (ED) will lead the planning and implementation of CVHA's activities in accordance with CVHA's strategic direction and annual business plan that will be endorsed by the Board. In the first five-year Strategic Plan, the Executive Director's key responsibilities will include:

- Setting the CVHA's strategic direction and culture in collaboration with the Board of Directors and regularly reporting to the Board on the status of an annual performance plan.
- Promoting the CVHA's role in the creation of non-market housing in the Comox Valley Regional District to housing industry representatives, community organizations, financial institutions, non-profit housing societies operating in the Comox Valley Regional District and federal and provincial government representatives.

- Developing and maintaining effective working relationships with key non-profit, private, and government partners in the housing development sector.
- Developing and implementing the process to solicit, evaluate and recommend project funding allocations to the Board of Directors.
- Developing and implementing an accounting system that enables effective monitoring and reporting of the CVHA's financial position to the Board, and in compliance with the *Business Corporations Act*.
- Fulfilling all other corporate financial reporting requirements, including the external audit process and preparation of the annual Corporate Report.

The actual salary will be determined based on market conditions and analysis by a human resources professional.

Administration Support

Administrative support will initially be provided through CVRD resources, with the potential for a part-time position being added if and when required.

Legal, Information Technology, Communications, and Financial Services

Operational support services will be procured on an “if and when required” basis. Initially these services are planned to be provided by the CVRD, with the compensation model defined in the Partnering Agreement .

Project Specific Consulting Services

Project-specific development consulting services will be procured as required to augment the Executive Director’s capacity and expertise for project management services, including, but not limited to, feasibility studies, preliminary design, scheduling, cost estimating, project partnering agreements, public engagement, and appraisal services.

Communication Plan

The Executive Director will develop a communication plan for the CVHAs activities, with support from consulting services and approval from the Board of Directors. The plan aims to raise awareness among potential market and non-profit real estate development partners, consultants, and consumers about the organization's mission and funding resources.

To establish the identity of the CVHA, the plan will include the creation of a mission, vision, and values statement, as well as a logo and a website. The Executive Director will also engage in in-person outreach, including networking sessions with organizations in the development sector, senior government funders, and financial institutions.

Financial Plan

The CVHA will receive \$880,000 per year from the Comox Valley Regional District as part of the 2025-2029 financial plan for Service 450 Comox Valley Housing. This funding level has been derived from the Foundational Option included in the *Direct Action Approaches Final Report*. The Reserve Fund balance is \$1,741,408 as of August 18, 2025.

- **Startup Expenses:** The one-time capital startup costs associated with setting up the CVHA are estimated to be approximately \$50,000.00. Primary expenses include recruitment costs for the Executive Director position and consulting services to support the Board formation, which will involve a Board orientation session and the development of a governance model, policies and procedures.
- **Annual Operating Expenses:** The annual operating expenses, including the Executive Director role and CVRD or other third-party contracted services for financial, legal and other related duties, are estimated to be up to \$250,000 per year. An operating budget is included as Appendix A. The Housing Authority will not maintain a physical office. The Executive Director will arrange for office and meeting space requirements on an “as if and when” required basis. Whenever possible, these arrangements will avoid Comox Valley Regional District spaces to reinforce the organization’s independence and autonomy.
- **Annual Funding Allocation Budget:** The annual funding allocation budget is estimated to be \$630,000.

The provision of this funding and associated performance and reporting requirements will be defined in a *Partnering Agreement* between the CVRD and the Housing Authority.

Financial Controls

The CVHA will establish financial controls through a series of polices in compliance with the *Articles of Incorporation*. These will include Signing Authority and Procurement polices. The policies will be based on categories typical for a real estate development organization of a comparable size and nature, including but not limited to:

- Development and Acquisition
- Financial
- Income Properties
- Office Administration
- Employment Agreements
- Service Agreements

Comox Valley Regional District Housing Authority Enterprise Risk Analysis

Risk	Consequence	Mitigation Plan	Risk Rating
<p>Expectations The delivery of housing units financially supported by the CVHA takes longer than public expectations</p>	<p>The CVRD board and the CVHA board are criticized for not delivering on expectations.</p>	<p>Implement a communications strategy based on clearly defined performance expectations as part of the CVHA's initial five-year strategic plan.</p>	<p>HIGH</p>
<p>Conflicts of Interest Real or perceived conflicts of interest due to a Board composition that includes elected officials</p>	<p>Decisions made by the CVHA do not align with the corporate mandate or the region's best interests.</p>	<p>The 60/40 mix of community and elected officials, and the adoption and application of appropriate conflict of interest provisions included in the <i>Articles of Incorporation</i> that mirror the Comox Valley Regional District provisions.</p>	<p>LOW</p>
<p>Governance A lack of clarity regarding the appropriate board governance model.</p>	<p>The board does not function well, and the Executive Directors' effectiveness is reduced due to blurred lines between governance and management.</p>	<p>A board governance training program to ensure the new board is clear on its selection of an appropriate governance model and its roles and responsibilities related to the mandate of the CVHA entity.</p>	<p>MEDIUM</p>
<p>Recruitment The CVHA is unable to attract top talent to the Executive Director role and the Board of Directors.</p>	<p>The CVHA will not achieve the objectives envisioned by the Comox Valley Regional District</p>	<p>A recruitment strategy developed and implemented by a Human Resources firm that includes appropriate compensation for the ED role and Board members.</p>	<p>HIGH</p>

Implementation Plan

The CVHA will become an active player in the housing development sector in 2026, based on the following implementation schedule:

Phase 1: Housing Authority Elements (completed)

The CVRD has completed the development of the basic elements of the CVHA, including legal structure, mandate, business plan, funding model, and community consultations.

Phase 2: Creation

The CVRD will submit the business plan and *Articles of Incorporation* to the Provincial Inspector of Municipalities to seek approval to create the Housing Authority.

Phase 3: Launch

The CVRD and the CVHA will prepare a *Partnering Agreement* that will define:

- The assistance the CVRD will provide to the CVHA.
- The services the CVHA will provide on behalf of the CVRD.

The CVRD will approve the CVHA's start-up capital and annual operating budget.

The CVRD Board will appoint the CVHA's Board of Directors

Phase 4: Start-Up

The Board of Directors will conduct the Executive Director search, with support from an external Human Resources consultant.

The Executive Director will source all required third-party legal and consulting services and implement a 90-day plan following Board endorsement. This plan will include mission, vision, and values statements developed jointly by the Board and Executive Director. These will inform the development of the first five-year strategic plan.

Phase 5: Implementation

By the fourth quarter of 2026, the CVHA will be actively engaged in delivering on its mandate through a range of activities that will include:

1. **Establishing a database of land suitable for non-market housing development.** This will capture municipal and First Nations properties, as well as non-profit-owned sites that are viable for a range of government funding programs or private sector partnerships. This database will form the basis of a long-term regional "master plan" for the regional development of non-market housing by guiding land acquisition, project sequencing, and thereby avoiding ad-hoc or patchwork solutions.

- 2. Allocating the first tranche of the Funding Allocation budget.** This will involve an open, transparent process to communicate the opportunity broadly and will include clearly defined evaluation criteria. This process will be informed by exploring the full range of available senior government funding and financing programs. Through this process, the opportunity to develop a portfolio of project approach for the region will be considered, as well as the potential to purchase existing housing through the Rental Protection Fund.

- 3. Implementing a communications plan.** The purpose of the plan will be to:

 - Build public trust in the organization by explaining why it exists and what value it provides.
 - Ensure consistent, transparent information sharing
 - Support collaboration with non-profit housing providers, municipalities, First Nations and senior government funders.
 - Reduce misinformation, political friction and confusion.
 - Demonstrate accountability and outcomes over time.

Appendix A

Annual Operating Budget		
Expenses	Estimate	Notes
Wages and Benefits	\$125,000 - \$210,000	Reflects the minimum/maximum costs estimated for a staff complement of one full-time Executive Director and a potential 0.5 FTE position for the provision of administrative support/coordination.
Accounting, Audit & Tax	\$5,000	This figure may be reduced and/or otherwise addressed through the eventual Partnership Agreement between the CVHA and CVRD
Memberships and Conferences	\$3,500	Sector memberships, conference fees and a travel allowance
Corporate Legal	\$2,000	Annual report and resolutions
Directors and Officers Liability Insurance	\$5,000	BFL Canada estimate
Board Compensation	\$6,400	10 Board members X \$160/ meeting X 4 meetings / year
Admin / IT / Communications and Marketing	\$12,500	Miscellaneous consulting fee allowance
Contingency	\$3,100	
Total Budget	\$250,000	

[Comox Valley Housing Authority Corporation]
[NTD: Name Reservation Pending]

(the “Company”)

ARTICLES

Interpretation

1. Interpretation

Company Shares

2. Shares and Share Certificates
3. Issue of Shares
4. Share Registers
5. Share Transfers
6. Acquisition of Company’s Shares

Company Borrowing

7. Borrowing Powers

Alterations of Articles

8. Alterations

Meetings of Shareholders

9. Meetings of the Shareholder
10. Proceedings at Meetings of the Shareholder
11. Voting

Directors & Officers

12. Directors
13. Appointment and Removal of Directors
14. Alternate Directors
15. Powers and Duties of Directors
16. Conflicts of Interests of Directors
17. Proceedings of Directors
18. Executive and Other Committees
19. Officers

Indemnification

20. Indemnification

Dividends

21. Dividends

General

22. Accounting Records and Auditors
 23. Notices
 24. Seal
 25. Prohibitions
 26. Other Corporate Matters

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “**Board of Directors**”, “**Directors**”, and “**Board**” mean the directors of the Company for the time being and “**Director**” means any one of the directors of the Company;
- (2) “**Business Corporations Act**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as may be amended or replaced from time to time;
- (3) “**CVRD**” means the Comox Valley Regional District, a regional district incorporated under the *Local Government Act*, R.S.B.C. 2015, c. 1 and having its principal address at 770 Harmston Avenue, Courtenay, British Columbia V9N 0G8;
- (4) “**CVRD Board**” means the board of directors of the Comox Valley Regional District;
- (5) “**CVRD Director**” means a director of the CVRD Board who has been appointed by the CVRD Board to the Board of Directors;
- (6) “**Fiscal Year**” means a calendar year ending December 31;
- (7) “**FOIPPA**” means the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 165, as may be amended or replaced from time to time;
- (8) “**Independent Directors**” means the individuals who, in the opinion of the Shareholder:
 - (a) have the requisite skills, competencies and experience necessary to fulfill the obligations and powers of the Company;
 - (b) are independent of the Company and the CVRD, provided that a candidate for the position of Director is sufficiently independent only if a reasonable person with knowledge of all relevant circumstances would conclude that the Director is independent of the Company, of any significant security holder of the Company and of the CVRD; and
 - (c) have been appointed by the CVRD Board to the Board of Directors;

- (9) “**Inspector of Municipalities**” means the inspector of municipalities of British Columbia appointed, from time to time, under the *Local Government Act* (British Columbia);
- (10) “**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238, as may be amended or replaced from time to time;
- (11) “**Officers**” means the officers of the Company and “**Officer**” means any one of the officers of the Company;
- (12) “**registered address**” of a shareholder means the Shareholder’s address as recorded in the central securities register;
- (13) “**Seal**” means the seal of the Company, if any;
- (14) “**Shareholder**” means the CVRD as the sole shareholder of the Company;
- (15) “**Shareholder Representative**” means the director of the CVRD Board or staff member of the CVRD who is appointed by the CVRD Board to attend the annual general meetings and Shareholder’s meetings for the Company and who will act as the representative for the CVRD and who will, as directed by the Shareholder, pass Shareholder Resolutions and do all other acts necessary for the CVRD to carry out and exercise its rights as the Shareholder of the Company; and
- (16) “**Shareholder Resolution**” means a resolution passed by the Shareholder Representative or proxy appointed by the Shareholder and which is deemed to be a consent resolution.

1.2 ***Business Corporations Act and Interpretation Act Definitions Applicable***

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

1.3 **Company Purposes**

The purposes of the Company are to engage in business activities related to the acquisition, development, construction, management and administration of lands and housing to facilitate a supply of suitable, attainable, and sustainable rental housing units in the CVRD that are accessible to a larger portion of the population, in a financially prudent manner. The Company will conduct the following business functions in accordance with these purposes:

- (1) pursuing new housing units through direct delivery or through partnerships with other development entities by investing in, developing, marketing, acquiring, holding and disposing of lands and buildings for the purpose of providing rental housing units in the CVRD, including developing non-residential real estate assets that are ancillary to housing;

- (2) securing and allocating funding, managing, operating, maintaining and carrying out other requirements for the Company as the developer and owner of housing units in conjunction with not-for-profit and other public and private organizations;
- (3) administering housing operations and agreements and the Company's portfolio and other housing on lands owned by the CVRD;
- (4) providing property management services for rental housing developed, acquired or managed by the CVRD; and
- (5) serving as a regional information and referral source for local governments, not-for-profit and other public and private organizations.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company that are held by the Shareholder.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the Shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, the Shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the Shareholder's name or (b) a non-transferable written acknowledgment of the Shareholder's right to obtain such a share certificate.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of the Shareholder's right to obtain a share certificate may be sent to the Shareholder by mail at the Shareholder's registered address and neither the Company nor any Director, Officer, or agent of the Company is liable for any loss to the Shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the Directors are satisfied that a share certificate or a non-transferable written acknowledgment of the Shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed, or Wrongfully Taken Certificate

If the Shareholder informs the Company in writing that the share certificate has been lost, destroyed, or wrongfully taken, the Company must issue a new share certificate, if the Shareholder:

- (1) requests a new share certificate; and
- (2) satisfies any other reasonable requirements imposed by the Directors of the Company.

2.7 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5 or 2.6, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the Directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof of the Shareholder.

3. ISSUE OF SHARES

3.1 Shareholder Authorized

Subject to the *Business Corporations Act* and the rights of the Shareholder of the Company, the Company may issue, allot, sell, or otherwise dispose of the unissued shares, and issued shares held by the Company, to the Shareholder, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that, pursuant to section 137 of the *Business Corporations Act*, the Shareholder may determine by an ordinary resolution. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.3 Conditions of Issue

No shares in the Company may be issued:

- (1) to any person other than the Shareholder;

- (2) until the Shareholder has provided written confirmation to the Company that it has received the approval of the Inspector of Municipalities to acquire the shares in the Company; and
- (3) except as provided in the *Business Corporations Act*, until the Shareholder has fully paid for the shares.

3.4 Payment for Shares

Except as provided by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed by the Company;
 - (b) property;
 - (c) money; and
 - (d) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

As required by and subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the Directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debenture, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain, in British Columbia, a central securities register. The Directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The Directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgement of the Shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Form of Instrument Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his, her or their duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its Directors, Officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgement deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any Director, Officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, or any interest in the shares of any share certificate representing such shares or any written acknowledgement of a right to obtain a share certificate for such

shares.

5.6 Transfer Fee

There must be paid to the Company in relation to the registration of any transfer, the amount, if any, determined by the Directors.

6. ACQUISITION OF COMPANY'S SHARES

6.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 6.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the Directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the Directors.

6.2 No Purchase, Redemption, or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem, or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

6.3 Sale and Voting of Purchased, Redeemed, or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased, or otherwise acquired by it, the Company may sell or gift the share to the Shareholder or dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its Shareholder;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

7. BORROWING POWERS

7.1 Borrowing Powers of the Company

The Company, if authorized by the Directors, may:

- (1) borrow money in the manner and amount from the sources, and on the terms and conditions that the Directors consider appropriate;
- (2) issue bonds, debentures, and other debt obligations for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the Directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any

other person; and

- (4) mortgage, charge, whether by way of specific or floating charge, grant of a security interest in, or giving other security on, the whole or any part of the present and future assets and undertaking of the Company as collateral for any borrowing,

provided that:

- (5) the Company is restricted from exercising the power to borrow money on the security of the CVRD unless the Shareholder approves such borrowing by ordinary resolution provided that the Company is not restricted from exercising the power to borrow on the security of its assets and business; and
- (6) the Company is restricted from exercising the power to borrow money that would require the CVRD to guarantee such borrowing unless the Shareholder approves such borrowing by ordinary resolution.

8. ALTERATIONS

8.1 Alteration of Authorized Share Structure

Subject to Article 8.2 and the *Business Corporations Act*, the Company may by special resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce, or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid and issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid and issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*,

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

8.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Articles and Notice of Articles accordingly.

8.3 Change of Name

The Company may by Shareholder Resolution authorize an alteration to its Notice of Articles in order to change its name and may, by Shareholder Resolution or Directors' resolution, adopt or change any translation of that name.

8.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

8.5 Consent to Alterations

Notwithstanding the other provisions of these Articles, including without limitation Article 8.4, for so long as the CVRD is a Shareholder of the Company, the Company will not alter or amend a provision of these Articles that was required by the Inspector of Municipalities in any way without the prior written consent of the Inspector of Municipalities, including:

- (a) Article 1.1(8) [*Definition of "Fiscal Year"*];
- (b) Article 1.3 [*Company Purposes*];
- (c) Article 2.1 [*Authorized Share Structure*];
- (d) Article 3.3 [*Conditions of Issue*];
- (e) Article 7.1 [*Borrowing Powers of the Company*];
- (f) Article 8.5 [*Consent to Alterations*];
- (g) Article 12.2 [*Number of Directors*];
- (h) Article 16 [*Conflicts of Interest of Directors*];
- (i) Article 22.4 [*No Waiver of Auditor*];
- (j) Article 22.5 [*Disclosure of Financial Statements*];

- (k) Article 22.6 [*Inspection of Company Records*];
- (l) Article 26.1 [*Restrictions on Business*];
- (m) Article 26.2 [*Annual Public Information Meeting*];
- (n) Article 26.3 [*Public Access*];
- (o) Article 26.4 [*No Subsidiary Without Approval of the Inspector and the Shareholder*];
- (p) Article 26.5 [*Restrictions on Investment of Monies*]; and
- (q) Article 26.6 [*Disposal of Corporate Assets*].

9. MEETINGS OF SHAREHOLDERS

9.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the Directors.

9.2 Resolution Instead of Annual General Meeting

If the Shareholder consents by Shareholder Resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the Shareholder Resolution and where applicable in these Articles references to an annual general meeting will be read *mutatis mutandis* as being reference to the Shareholder Resolution adopted in lieu of such meeting. The Shareholder must, in any Shareholder Resolution passed under this Article 9.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

9.3 Calling of Meetings of the Shareholder

The Directors may, at any time, call a meeting of the Shareholder to be held at such time and place as may be determined by the Directors.

9.4 Notice for Meetings of the Shareholder

The Company must send notice of the date, time, and location of any meeting of the Shareholder (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution, or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement, or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting, or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to the Shareholder, to each Director, and to the auditor of the Company, unless these Articles otherwise provide, at least 30 days before the meeting.

9.5 Notice of Resolution to Which Shareholder May Dissent

The Company must send to the Shareholder a notice of any meeting of the Shareholder at which a resolution entitling the Shareholder to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least 30 days before the meeting.

9.6 Record Date for Notice

The record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

9.7 Record Date for Voting

The record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

9.8 Failure to Give Notice

The omission to send notice of a meeting of the Shareholder will invalidate any proceedings at that meeting.

9.9 Meetings by Telephone or Communications Medium

The Directors may determine that a meeting of the Shareholder shall be held entirely by means of telephonic, electronic, or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of the Shareholder may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communication facilities, if the Directors determine to make them available. A person who participates in a meeting in a manner contemplated by this Article 9.9 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting.

9.10 Notice of Special Business at Meetings of the Shareholder

If a meeting of the Shareholder is to consider special business within the meaning of Article 10.1, the notice of meeting must:

- (1) state the general nature of the special business; and

- (2) if the special business includes considering, approving, ratifying, adopting, or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by the Shareholder through its Shareholder Representative:
- (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10. PROCEEDINGS AT MEETINGS OF THE SHAREHOLDER

10.1 Special Business

At a meeting of the Shareholder, the following business is special business:

- (1) at a meeting of the Shareholder that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the Directors or auditor;
 - (d) the setting or changing of the number of Directors;
 - (e) the appointment of Directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the Directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of the Shareholder without prior notice of the business being given to the Shareholder.

10.2 Special Resolution

The vote of the Shareholder Representative is the only vote required for the Company to pass a special resolution at a general meeting of the Shareholder.

10.3 Quorum

The quorum for the transaction of business at a meeting of the Shareholder is the attendance of the Shareholder Representative, or a proxy appointed by the Shareholder to vote at the meeting.

10.4 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of the Shareholder, the only other persons entitled to be present at the meeting are the Directors, the executive director (if any), the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the Directors or by the chair of the meeting, and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons do attend the meeting, those persons are not to be counted in the quorum and are not entitled to vote at the meeting unless such person is a proxy appointed by the Shareholder to vote at the meeting.

10.5 Requirement of Quorum

No business other than the adjournment of the meeting, may be transacted at any meeting of the Shareholder without quorum.

10.6 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of the Shareholder, a quorum is not present:

- (1) in the case of a general meeting requisitioned by the Shareholder, the meeting is dissolved; and
- (2) in the case of any other meeting of the Shareholder, the meeting stands adjourned to the same day in the next week at the same time and place.

10.7 Chair

The following individual is entitled to preside as chair at a meeting of the Shareholder:

- (1) the chair of the Board elected pursuant to Article 17.3; or
- (2) if the chair of the Board is absent or unwilling to act as chair of the meeting, the Director chosen pursuant to Article 17.3(2).

10.8 Selection of Alternate Chair

If, at any meeting of the Shareholder, there is no chair of the Board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the Board and the president are unwilling to act as chair of the meeting, or if the chair of the Board and the president have advised the secretary, if any, or any Director present at the meeting, that they will not be present at the meeting, the Directors present must choose one of their number to be chair of the meeting or if all of the Directors present decline to take the chair or fail to so choose or if no Director is present, the Shareholder Representative or by proxy may choose any person present at the meeting to chair the meeting.

10.9 Adjournments

The chair of a meeting of the Shareholder may, and if so directed at the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

10.10 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of the Shareholder or of the business to be transacted at an adjourned meeting of the Shareholder.

10.11 Decisions by Declaration

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of the Shareholder will be decided on the declaration of the Shareholder Representative or the proxy.

10.12 Declaration of Result

The chair of a meeting of the Shareholder must declare to the meeting the decision on every question in accordance with the declaration of the Shareholder Representative or the proxy, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried or is defeated is conclusive evidence in favour of or against the resolution.

10.13 Motion Need Not be Seconded

No motion proposed at a meeting of the Shareholder needs to be seconded.

11. VOTING

11.1 Vote of the Shareholder

The Shareholder will vote at the meetings of the Shareholder through its Shareholder Representative.

11.2 Appointment of Proxy

Where the Shareholder Representative is unavailable to attend a meeting of the Shareholder, the Shareholder may appoint a director of the CVRD Board to act as its proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

11.3 Alternate Proxy Holders

The Shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

11.4 Deposit of Proxy

A proxy for a meeting of the Shareholder must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, email, fax, or any other method of transmitting legibly recorded messages.

11.5 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the Directors or the chair of the meeting:

[Comox Valley Housing Authority]
(the “Company”)

The Comox Valley Regional District, being the sole shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act, and vote for and on behalf of the undersigned at the meeting of the shareholder of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

11.6 Revocation of Proxy

Subject to Article 11.7, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

11.7 Revocation of Proxy Must Be Signed

An instrument referred to in Article 11.6 must be signed by the Shareholder Representative.

11.8 Production of Evidence of Authority to Vote

The chair of any meeting of Shareholder may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

12. DIRECTORS

12.1 First Directors

The first directors are the persons designated as Directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The Shareholder may, pursuant to and in accordance with Article 12.3, fill any openings in the Board of Directors, on an interim basis, for the time period between the time the first directors are designated as Directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act* and the first annual general meeting of the Company, provided that any such interim Director(s) will cease to hold office immediately before the appointment of Directors at the first annual general meeting, as contemplated in Article 13.1(2).

12.2 Number of Directors

The number of directors is set at a total of ten (10) Directors comprised as follows:

- (1) four (4) CVRD Directors; and
- (2) six (6) Independent Directors,

all as the CVRD Board may determine at its sole discretion.

12.3 Vacancies

The Shareholder, through its Shareholder's Representative, may appoint the Directors needed to fill any vacancies in the Board of Directors up to the total number of Directors set out in Article 12.2 and provided such Directors meet the qualifications set out in Article 12.5. The term of office for a Director appointed to fill a vacancy will be the remaining term of office, determined immediately prior to the occurrence of the vacancy, of the Director whose departure created the subject vacancy.

12.4 Directors' Acts Valid Despite Vacancy

An act or proceeding of the Directors is not invalid merely because fewer than the number of Directors set or otherwise required under these Articles is in office.

12.5 Qualifications of Directors

A Director is not required to hold a share of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act, or continue to act as a Director.

For the CVRD Directors to act as Directors of the Company they must:

- (1) have been appointed and be serving as a director of the CVRD Board at the time of their appointment to the Board of Directors; and

- (2) resign from the Board of Directors when they cease to be a director of the CVRD Board, unless authorized by the Shareholder to remain as a Director of the Company through a written confirmation provided by the Shareholder Representative to the Company.

For the Independent Directors to act as Directors of the Company:

- (1) at least three (3) of the Independent Directors must work or have worked in the development or operations of private or non-profit housing in an administrative, executive, managerial or senior staff position;
- (2) at least one (1) of the Independent Directors must work or have worked in or have expertise in the financial services sector through professional certifications, education or employment experience;
- (3) at least one (1) of the Independent Directors must work or have worked in or have expertise in the legal sector either through being a member or former member of a Law Society of a Canadian Province or Territory or through completion of legal studies at an accredited law school recognized by the Federation of Law Societies of Canada's National Committee on Accreditation, and
- (4) at least one (1) of the Independent Directors must be nominated by the K'omoks First Nation Chief and Council.

12.6 Remuneration of Independent Directors

The Independent Directors are entitled to the remuneration for acting as Directors, if any, as the Shareholder may from time to time determine. No other class of Directors are entitled to remuneration for acting as Directors for the Company.

12.7 Reimbursement of Expenses of Directors

The Company must reimburse each Director for the reasonable expenses that such Director may incur in and about the business of the Company.

12.8 Special Remuneration for Directors

If any Director performs any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director, or if any Director is otherwise specially occupied in or about the Company's business, the Director may be paid remuneration fixed by the Directors, or, at the option of the Directors, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that the Director may be entitled to receive.

13. APPOINTMENT AND REMOVAL OF DIRECTORS

13.1 Appointment of Directors

At every annual general meeting and in every Shareholder Resolution contemplated by Article 9.2:

- (1) the Shareholder, through the CVRD Board, will appoint a board of directors consisting of the number and composition of directors for the time being set under these Articles; and

- (2) at the annual general meeting to be held in the calendar year 2026:
- (a) all the directors cease to hold office immediately before the appointment of directors under paragraph (1) but are eligible for re-appointment;
 - (b) two (2) CVRD Directors and three (3) Independent Directors will be appointed for a term ending immediately prior to the appointment of directors at that annual general meeting that is the third annual general meeting of the Company required to be held following the annual general meeting to be held in the calendar year 2026; and
 - (c) two (2) CVRD Directors and three (3) Independent Directors will be appointed for a term ending immediately prior to the appointment of directors at that annual general meeting that is the second annual general meeting of the Company required to be held following the annual general meeting to be held in the calendar year 2026; and
- (3) At every succeeding annual general meeting:
- (a) those directors whose term in office is set to expire on the occasion of such meeting will cease to hold office immediately before the appointment of directors under paragraph (1), but are eligible for re-appointment; and
 - (b) all such directors will be appointed to term ending immediately prior to the appointment of directors at that annual general meeting that is the third annual general meeting of the Company required to be held following the annual general meeting at which they were most recently appointed.

13.2 Term Limits

No Director may be re-appointed to the Board of Directors after they have completed their sixth consecutive year on the Board of Directors, provided that a former Director may be re-appointed to the Board of Directors after an absence from the Board of Directors of at least one (1) year.

13.3 Consent to be a Director

No appointment of an individual as a Director is valid unless:

- (1) that individual consents to be a Director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is appointed at a meeting at which the individual is present, in person or present for the purposes of a meeting held under Article 17.5 by telephone, electronic, or other communication facilities and the individual does not refuse, at such meeting, to be a Director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

13.4 Failure to Appoint Directors

If the CVRD Board fails to appoint a Board within one hundred and eighty (180) days following a local government election of the CVRD and its member municipalities, each Director then in office continues to hold office until the earlier of:

- (1) when the Director's respective successor is appointed; or
- (2) when the Director otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

13.5 Places of Retiring Directors Not Filled

If, at any meeting of the Shareholder at which there should be an appointment of Directors, the places of any of the retiring Directors are not filled by that appointment, those retiring Directors who are not re-appointed and who are asked by the newly appointed Directors to continue in office will, if willing to do so, continue in office to complete the number of Directors for the time being set pursuant to these Articles until further new Directors are appointed at a meeting of the Shareholder convened for that purpose. If any such appointment or continuance of Directors does not result in the appointment or continuance of the number of Directors for the time being set pursuant to these Articles, the number and composition of Directors of the Company is deemed to be set at the number of Directors actually appointed or continued in office.

13.6 Remaining Directors' Power to Act

The Directors may act notwithstanding any vacancy in the Board of Directors, but if the Company has fewer Directors in office than the number set pursuant to these Articles as the quorum of Directors, the directors may only act for the purpose of appointing Directors up to that number or of calling a meeting of the Shareholder for the purpose of filling any vacancies on the Board of Directors or, subject to the *Business Corporations Act*, for any other purpose.

13.7 Shareholder May Fill Vacancies

If the Company has no Directors or fewer Directors in office than the number set pursuant to these Articles as the quorum of Directors, the Shareholder, through its Shareholder Representative, may appoint Directors to fill any vacancies on the Board of Directors.

13.8 Ceasing to be a Director

A Director ceases to be a Director when:

- (1) the term of office of the Director expires;
- (2) the Director dies;
- (3) the Director resigns as a Director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the Director is removed from office pursuant to Articles 13.9 or 13.10.

13.9 Removal of Director by the Shareholder

The Company may remove any Director before the expiration of that Director's term of office by special resolution. In that event, the Shareholder, through its Shareholder's Representative, will appoint by Shareholder Resolution, a Director to fill the resulting vacancy.

13.10 Removal of Director by Directors

The Directors may remove any Director before the expiration of that Director's term of office if the Director is convicted of an indictable offence, or if the Director ceases to be qualified to act as a director of a company and does not promptly resign, and the Shareholder, through its Shareholder's Representative, will appoint by Shareholder Resolution a Director to fill the resulting vacancy.

14. ALTERNATE DIRECTORS

14.1 Appointment of Alternate Director

Any Director, with the written permission of the Shareholder granted through its Shareholder Representative, may appoint an individual approved by the Shareholder that is qualified to act as a Director under the *Business Corporations Act* and:

- (1) if being appointed by a CVRD Director, is qualified as a CVRD Director under Article 12.5; or
- (2) if being appointed by an Independent Director, is qualified as an Independent Director under Article 12.5,

to be their alternate to act in their place at meetings of the Directors or committees of the Directors at which the appointor is not present unless (in the case of an appointee who is not a Director) the Directors have reasonably disapproved the appointment of such person as an alternate Director and have given notice to that effect to the appointor within a reasonable time after the notice of appointment is received by the Company.

14.2 Notice of Meetings

Every alternate Director so appointed is entitled to notice of meetings of the Directors and of committees of the Directors of which the alternate Director's appointor is a member and to attend and vote as a Director at any such meetings at which their appointor is not present.

14.3 Consent Resolutions

Every alternate Director, if authorized by the notice appointing them, may sign in place of their appointor any resolutions to be consented to in writing.

14.4 Alternate Director Not an Agent

Every alternate Director is deemed not to be the agent of their appointor.

14.5 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate Director appointed by them.

14.6 Ceasing to be an Alternate Director

The appointment of an alternate Director ceases when:

- (1) their appointor ceases to be a Director and is not promptly re-appointed;
- (2) the alternate Director dies;
- (3) the alternate Director resigns as an alternate Director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate Director ceases to be qualified to act as a Director; or
- (5) their appointor revokes the appointment of the alternate Director.

14.7 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate Director for the reasonable expenses that would be properly reimbursed if they were a Director, and the alternate Director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The Directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the Shareholder.

15.2 Appointment of Attorney of Company

The Directors may from time to time, by power of attorney or other instrument, under Seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the power to fill vacancies in the Board of Directors, to remove a Director, to change the membership of, or fill vacancies in, any committee of the Directors, to appoint or remove Officers appointed by the Directors, and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the Directors may think fit. Any such power of attorney may contain such

provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any such attorney may be authorized by the Directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in the attorney.

16. CONFLICTS OF INTEREST

16.1. Scope of Conflict Provisions

This Article 16 applies to Directors in relation to meetings of the Board of Directors, meetings of committees of the Board of Directors, and resolutions in writing of the Board of Directors.

16.2 Disclosure of Interest

If a Director attending a meeting of the Board of Directors, a committee meeting or considering a resolution in writing considers that he, she or they is not entitled to and must not:

- (1) participate in the discussion of a matter; or
- (2) vote on or otherwise approve a resolution in respect of a matter,

because the Director has a direct or indirect pecuniary interest in the matter, or for any other reason, the Director must declare this to the other Directors and state the general nature of why the Director considers this to be the case.

16.3 Consequence of Disclosure of Interest

After making a declaration on the basis described in Article 16.2 a Director must:

- (1) not take part in the discussion of the matter and is not entitled to vote on or otherwise approve any question in respect of the matter;
- (2) leave the meeting or that part of the meeting during which the matter in question is under consideration; and
- (3) not attempt, whether before, during or after the matter is considered by the other Directors, to influence the Directors' decisions on any question in respect of the matter, provided that the Director making the declaration must, to the extent he, she or they is able and in a timely manner, inform the remaining Directors of any risks to the Company associated with the matter in question to the extent necessary to fulfil his, her or their duties to the Company.

16.4 Record of Disclosure

If a declaration is made by a Director pursuant to Article 16.2, the chair of the Board or other person who presided as chair at the meeting will ensure that the minutes of the meeting record in writing the substance of the declaration and the fact that the Director making the declaration was not present for that part of the meeting during which the matter in question was under consideration.

16.5 Prohibitions

Whether or not disclosure is made under Article 16.2, if a Director has a direct or indirect pecuniary interest in a matter the Director must not:

- (1) participate in the discussion of a matter;
- (2) vote on or otherwise approve a resolution in respect of a matter; or
- (3) attempt in any way, whether before, during or after the matter is considered by the other Directors, to influence the Directors' decisions on any question in respect of the matter, provided that the interested Director must, to the extent he, she or they is able and in a timely manner, inform the remaining Directors of any risks to the Company associated with the matter in question to the extent necessary to fulfil his or her duties to the Company.

16.6 Exceptions to Conflict Provisions

Article 16.5 does not apply if:

- (1) the pecuniary interest of the Director is a pecuniary interest in common with the residents of the CVRD, generally;
- (2) the matter relates to remuneration or expenses payable to one or more Directors in relation to their duties as Directors; or
- (3) the pecuniary interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the Director in relation to the matter.

16.7 Duty to Account and Disqualification

A person who contravenes Article 16.5 is, in addition to any consequences that may arise under the provisions of the *Business Corporations Act*, disqualified from continuing to hold office as a Director of the Company unless the contravention was due to reasonable inadvertence or an error in judgment made in good faith.

16.8 Interested Director Counted in Quorum

Notwithstanding that, by operation of this Article 16, a Director is prohibited from participating in the discussion of a matter or voting on or otherwise approving a resolution in respect of a matter, a Director may be counted for the purpose of determining whether a quorum of Directors is present for the transaction of business at any meeting of the Company's Board of directors or a committee of the Company's Board of Directors.

16.9 Restrictions on Accepting Gifts

A director must not, directly or indirectly, accept a fee, gift or personal benefit that is connected with the director's performance of his or her duties as a director, unless such fee, gift or personal benefit is received as an incident of the protocol or social obligations that normally accompany the responsibilities of the

director's position. If a director receives a fee, gift or personal benefit permitted by this Article 16.9 that exceeds \$250 in value, or the total value of such fees, gifts and benefits received, directly or indirectly, from one source in any 12-month period exceeds \$250, the director will disclose in writing to the Board:

- (1) the nature of the fee, gift or benefit;
- (2) the source, including, if it is from a corporation, the full names and addresses of at least 2 individuals who are directors of the corporation;
- (3) when it was received; and
- (4) the circumstances under which it was given and accepted,

and such disclosure must be reported in writing at the annual public information meeting required under Article 26.2.

16.10 Disclosure of Contracts

If the Board enters into a contract in which a Director, or a person who was a Director at any time during the previous six months, has a direct or indirect pecuniary interest, this must be reported in writing at the annual public information meeting required under Article 26.2.

16.11 Restrictions on Inside and Outside Influence

A Director must not:

- (1) use the Director's position on the Board to attempt to influence, in any way, a decision, recommendation or action to be taken by any other person or body, if the Director has a direct or indirect pecuniary interest in the matter to which the decision, recommendation or other action relates; or
- (2) use information or a record that was obtained in the performance of the director's role on the board and that is not available to the general public for the purpose of gaining or furthering a direct or indirect pecuniary interest of such director.

16.12 Obligation to Account for Profits

A Director or senior Officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the Director or senior Officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.13 Director or Officer in Other Corporations

A Director or Officer may be or become a director, officer, or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the Director or Officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer, or employee of, or from their interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The Directors may meet together for the conduct of business and adjourn and otherwise regulate their meetings as they think fit, and meetings of the Directors held at regular intervals may be held at the place, at the time, and on the notice, if any, as the Directors may from time to time determine. Without limiting the generality of this Article 17.1, the Directors may, from time to time, invite any persons to be present at a meeting of the Directors, including without limitation the executive director (if any), the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, a CVRD representative and any other persons invited to be present at the meeting by the Directors or by the chair of the meeting.

17.2 Voting at Meetings

Questions arising at any meeting of Directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of the Board

At each annual general meeting, the Board shall elect from among the Independent Directors, a chair who shall hold office until the following annual general meeting after their election as chair unless re-elected as the chair of the Board. Prior to the first annual general meeting, the Board may elect from among the Independent Directors, an interim chair who shall hold office until the first annual general meeting unless re-elected as the chair of the Board at the first annual general meeting.

17.4 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of Directors:

- (1) the chair of the Board elected pursuant to Article 17.3; or
- (2) any other Director chosen by the Directors if:
 - (a) the chair of the Board is not present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) the chair of the Board is not willing to chair the meeting; or
 - (c) the chair of the Board has advised the secretary, if any, or any other Director, that they will not be present at the meeting.

17.5 Meetings by Telephone or Other Communications Medium

A Director may participate in a meeting of the Directors or of any committee of the Directors by means of telephone, electronic, or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of the Directors may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities. A Director who participates in a meeting in a manner contemplated by this Article 17.5 is deemed for all

purposes of the *Business Corporations Act* and these Articles to be present at the meeting.

17.6 Calling of Meetings

A Director may, and the secretary or an assistant secretary of the Company, if any, on the request of a Director must, call a meeting of the Directors at any time.

17.7 Notice of Meetings

Other than for meetings held at regular intervals as determined by the Directors pursuant to Article 17.1 or as provided in Article 17.8, reasonable notice of each meeting of the Directors, specifying the place, day, and time of that meeting, must be given to each of the Directors and the alternate Directors by any method set out in Article 23.1 or orally or by telephone.

17.8 When Notice Not Required

It is not necessary to give notice of a meeting of the Directors to a Director or an alternate Director if:

- (1) the meeting is to be held immediately following a meeting of the Shareholder at which that Director was appointed, or is the meeting of the Directors at which that Director is appointed; or
- (2) the Director or alternate Director, as the case may be, has waived notice of the meeting.

17.9 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of Directors to, or the non-receipt of any notice by, any Director or alternate Director, does not invalidate any proceedings at that meeting.

17.10 Waiver of Notice of Meetings

Any Director or alternate director may send to the Company a signed document waiving notice of any past, present, or future meeting or meetings of the Directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the Directors need be given to that Director or, unless the Director otherwise requires by notice in writing to the Company, to that Director's alternate Director, and all meetings of the Directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director. Attendance of a Director or alternate Director at a meeting of the Directors is a waiver of notice of the meeting unless that Director or alternate Director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.11 Quorum

The quorum necessary for the transaction of the business of the Directors may be set by the Directors but shall not be less than five (5) Directors, and at least one of which must be a CVRD Director.

17.12 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a Director or Officer is not invalid merely because of

an irregularity in the appointment or a defect in the qualification of that Director or Officer.

17.13 Consent Resolutions in Writing

A resolution of the Directors or of any committee of the Directors may be passed without a meeting:

- (1) in all cases, if each of the Directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a Director has disclosed that they have or may have a disclosable interest, if each of the other Directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.13 may be by any written instrument, fax, email, or any other method of transmitting legibly recorded messages in which the consent of the Director is evidenced, whether or not the signature of the Director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the Directors or of any committee of the Directors passed in accordance with this Article 17.13 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the Directors or of the committee of the Directors and to be as valid and effective as if it had been passed at a meeting of the Directors or of the committee of the Directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the Directors or of a committee of the Directors.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The Directors may, by resolution, appoint an executive committee consisting of the Director or Directors that they consider appropriate, provided that the Executive Committee includes at least one (1) CVRD Director, and during the intervals between meetings of the Board of Directors all of the Directors' powers are delegated to the executive committee, except:

- (1) the power to fill vacancies in the Board of Directors;
- (2) the power to remove a Director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the Directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent Directors' resolution.

18.2 Appointment and Powers of Other Committees

The Directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the Director or Directors and such other persons that they consider appropriate, provided that at least one Director is appointed to each of such committees;

- (2) delegate to a committee appointed under paragraph (1) any of the Directors' powers, except:
 - (a) the power to fill vacancies in the Board of Directors;
 - (b) the power to remove a Director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the Directors; and
 - (d) the power to appoint or remove Officers appointed by the Directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent Directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the Directors; and
- (2) report every act or thing done in exercise of those powers at such times as the Directors may require.

18.4 Powers of Board

The Directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration, or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article 18.3(1), and unless the Directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the Directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the

members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

The Directors may, from time to time, appoint such Officers, if any, as the Directors determine and the Directors may, at any time, terminate any such appointment.

19.2 Functions, Duties, and Powers of Officers

The Directors may, for each Officer:

- (1) determine the functions, and duties of the Officer;
- (2) delegate to the Officer any of the powers exercisable by the Directors on such terms and conditions and with such restrictions as the Directors think fit; and
- (3) revoke, withdraw, alter, or vary all or any of the functions, duties, and powers of the Officer.

19.3 Qualifications

No Officer may be appointed unless that Officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an Officer of the Company. Any person appointed as the chair of the Board or as a managing director must be a Director. Any other Officer need not be a Director.

19.4 Remuneration and Terms of Appointment

All appointments of Officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits, or otherwise) that the Directors think fit and are subject to termination at the pleasure of the Directors, and an Officer may in addition to such remuneration be entitled to receive, after such officer cease to hold such office or leaves the employment of the Company, a pension or gratuity.

20. INDEMNIFICATION

20.1 Definitions

In this Article 20:

- (1) “**eligible penalty**” means a judgment, penalty, or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending, or completed, in which a Director, former Director, or alternate Director of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a Director or alternate Director of the Company:

- (a) is or may be joined as a party; or
- (b) is or may be liable for or in respect of a judgment, penalty, or fine in, or expenses related to, the proceeding; and

(3) “**expenses**” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the Company must indemnify a Director, former Director, or alternate Director of the Company and their heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each Director and alternate Director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a Director, alternate Director, or Officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which such person is entitled under this Part 20.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or their heirs or legal personal representatives) who:

- (1) is or was a Director, alternate Director, Officer, employee, or agent of the Company;
- (2) is or was a director, alternate director, officer, employee, or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee, or agent of a corporation or of a partnership, trust, joint venture, or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director, or officer of a partnership, trust, joint venture, or other unincorporated entity,

against any liability incurred by such person as such director, alternate director, officer, employee, or agent or person who holds or held such equivalent position.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of the Shareholder.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act* and the rights of the Shareholder, the Directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The Directors need not give notice to any Shareholder of any declaration under Article 21.2.

21.4 Record Date

The record date is 5:00 p.m. on the date on which the Directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures, or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the Directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which the Shareholder is entitled may be paid to the Shareholder on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the Directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Dividend Bears No Interest

No dividend bears interest against the Company.

21.10 Fractional Dividends

If a dividend to which a Shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.11 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, electronic transfer or as otherwise determined by the Directors of the Company and made payable to the Shareholder.

21.12 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the Company may by special resolution capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, bonds, debentures, or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The Directors must cause adequate accounting records to be kept, to record properly the financial affairs and condition of the Company for each Fiscal Year and to comply with the *Business Corporations Act*.

22.2 Auditor and Audited Financial Statements

The Directors will appoint an auditor to prepare audited financial statements for the Company and which shall be prepared for each Fiscal Year.

22.3 Remuneration of Auditor

The Directors may set the remuneration of the auditor of the Company.

22.4 No Waiver of Auditor

Notwithstanding the provisions of the *Business Corporations Act*, including without limitation subsection 203(2), a resolution to waive the appointment of an auditor will be of no force or effect.

22.5 Disclosure of Financial Statements

For so long as the CVRD is a Shareholder of the Company, the Company will present at an open meeting of the CVRD Board the financial statements of the Company presented to the annual general meeting of the Company and the report of the auditor on those financial statements within 120 days of the end of each Fiscal Year.

22.6 Inspection of Company Records

The Shareholder will be entitled to discovery of any and all information respecting any details or conduct of the Company's business and affairs, limited only to the extent that the Directors, acting in good faith and in accordance with the requirements of *FOIPPA*, determine it would be inexpedient in the interests of the Company to make certain information available and neither the *Business Corporations Act* nor *FOIPPA* otherwise require that the Company make such information available to the Shareholder.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report, or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a Shareholder, the Shareholder's registered address;
 - (b) for a record mailed to a Director or Officer, the prescribed address for mailing shown for the Director or Officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; and
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a Shareholder, the Shareholder's registered address;
 - (b) for a record delivered to a Director or Officer, the prescribed address for delivery shown for the Director or Officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; and
 - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; or
- (5) physical delivery to the intended recipient.

23.2 Deemed Receipt

A notice, statement, report, or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays, and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) emailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was emailed on the day it was emailed.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other Officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report, or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two Directors;
- (2) any Officer, together with any Director; or
- (3) any one or more Directors or Officers or persons as may be determined by the Directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the Directors or Officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any Director or Officer or the signature of any other person as may be determined by the Directors.

24.3 Mechanical Reproduction of Seal

The Directors may authorize the Seal to be impressed by third parties on share certificates or bonds, debentures, or other securities of the Company as they may determine appropriate from time to time. To enable the Seal to be impressed on any share certificates or bonds, debentures, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or Officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph, or print such definitive or interim share certificates or bonds, debentures, or other securities one or more unmounted dies reproducing the seal, and such persons as are authorized under Article 24.1 to attest the Company's Seal may in writing authorize such person to cause the Seal to be impressed on such definitive or interim share certificates or bonds, debentures, or other securities by the use of such dies. Share certificates or bonds, debentures, or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the Seal impressed on them.

24.4 Execution of Documents Generally

The Directors may from time to time by resolution appoint any one or more persons, Officers, or Directors for the purpose of executing any instrument, document, or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, Officer, or Director is appointed, then any one Officer or Director of the Company may execute such instrument, document, or agreement.

25. PROHIBITIONS

25.1 Definitions

In this Part 25:

- (1) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (2) “**transfer restricted security**” means:
 - (a) a share of the Company;
 - (b) a security of the Company convertible into shares of the Company; or
 - (c) any other security of the Company that must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “private issuer” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

25.2 Consent Required for Transfer of Shares or Transfer Restricted Securities

No security or share in the Company or other transfer restricted security in the Company may be sold, transferred, or otherwise disposed of without the consent of the Shareholder by Shareholder Resolution, and the Shareholder is required to give any reason for refusing to consent to any such sale, transfer, or other disposition.

26. OTHER CORPORATE MATTERS

26.1 Restrictions on Business

The Company is restricted from conducting any business that is not related to its purposes set out in Article 1.3.

26.2 Annual Public Information Meeting

The Company will hold an annual information meeting open to members of the public for the purposes of the public receiving information about the activities and achievements of the Company including to review the Company's audited financial statements. The annual information meeting must be held at least once in each calendar year on such dates and at such times and place as may be determined by the Directors.

26.3 Public Access

Subject to the rules and regulations of the CVRD, the Company will keep a copy of these Articles at the CVRD's district office for the purposes of inspection by any person at the times permitted by the CVRD.

26.4 No Subsidiary Without Approval of the Inspector and the Shareholder

The Company will not create, organize or facilitate the incorporation of a subsidiary corporation of the Company without the prior written consent of the Inspector of Municipalities and the Shareholder.

26.5 Restrictions on Investment of Monies

Without limiting the Company's purposes set out in Article 1.3, the Company may only invest or reinvest any monies held by the Company in excess of the Company's operational requirements, or that are not immediately required by the Company, in the types of investments permitted to be made by municipalities under Section 183 of the *Community Charter*, S.B.C. 2003, c. 26, as may be amended, replaced or re-enacted from time to time.

26.6 Disposal of Corporate Assets

The Company, without prior written approval of the Shareholder, may not:

- (1) dispose of any of the assets or undertakings of the Company if such disposition is not in furtherance of the Company's purposes as set out in Article 1.3;
- (2) dispose of any of the cash assets of the Company that in a single transaction or series of related transactions exceeds an amount equal to two million dollars (\$2,000,000.00) (in 2025 dollars) adjusted annually by the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Treasury Service for Statistics Canada, or its successor in function, to the time of the proposed disposition; or
- (3) dispose of any fixed assets or undertakings of the Company that in a single transaction or series of related transactions exceeds an amount equal to two million dollars (\$2,000,000.00) (in 2025 dollars) fair market value, adjusted annually by the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Treasury Service for Statistics Canada, or its successor in function, at the time of the proposed disposition.

IN WITNESS WHEREOF the Comox Valley Regional District, the Incorporator of the Comox Valley Housing Authority Corporation, has executed these Company Articles on ____ day of _____, 2026.

COMOX VALLEY REGIONAL DISTRICT

Per: _____
Name:

Comox Valley Regional District (CVRD) Controls over Comox Valley Housing Authority (CVHA)

Control	Mechanism
<ul style="list-style-type: none"> • CVRD would be the sole shareholder of the CVHA 	Articles of Incorporation
<ul style="list-style-type: none"> • CVHA restricted from carrying out any business not related to the corporate purposes 	Articles of Incorporation
<ul style="list-style-type: none"> • CVRD Board to appoint CVHA Board and have the authority to rescind such appointments 	Articles of Incorporation
<ul style="list-style-type: none"> • New shares in the company cannot be issued without CVRD Board approval 	Articles of Incorporation
<ul style="list-style-type: none"> • CVRD Board approval required if CVHA wants to borrow on the security of the CVRD or requires guarantee 	Articles of Incorporation
<ul style="list-style-type: none"> • CVHA restricted from disposing of corporate assets valued at over \$2 million 	Articles of Incorporation
<ul style="list-style-type: none"> • Without limiting the Company's purpose, the CVHA can only invest in the types of investments permitted to be made by local governments under the Community Charter. 	Articles of Incorporation
<ul style="list-style-type: none"> • Any meetings of the Shareholder require the attendance of the shareholder representative to have quorum and the CVHA must give the CVRD 30 days' notice 	Articles of Incorporation
<ul style="list-style-type: none"> • CVRD Board approval of the CVHA's strategic plan required before the provision of funding 	Partnering Agreement
<ul style="list-style-type: none"> • At the end of the term of the Partnering Agreement, the CVRD Board has the discretion to consider renewing or amending the Partnering Agreement, and determine what level of support/assistance, if any, to provide to the CVHA. 	Partnering Agreement
<ul style="list-style-type: none"> • Any desired terms and conditions for the provision of additional support/assistance (e.g. loans, contributions, long-term leases) 	Partnering Agreement

Engagement List

Non-Profit Sector

- M'akola Housing Society
- Denman Community Housing Society
- Hornby Island Housing Society
- Comox Valley Affordable Housing Society
- Wachiay Friendship Centre Society
- Comox Valley Transition Society
- Kiwanis Club of Courtenay
- L'ARCHE Comox Valley
- John Howard Society
- Dawn to Dawn Action on Homelessness Society
- We Can Shelter Society
- Glacier View Lodge Society
- Baynes Sound Lions Senior Citizens Building Society
- BC Non-Profit Housing Association
- Lookout Housing and Health Society

Government Sector

- K'omoks First Nation
- BC Housing
- Columbia Basin Trust
- City of Courtenay
- Town of Comox
- Village of Cumberland
- Canadian Armed Forces

Private Development Sector

- Simba Investments
- Central Builders Supply
- Pacific Swell Developments
- Vancouver Island Construction Association