



Corporate Report

NO: R131

COUNCIL DATE: June 11, 2007

REGULAR COUNCIL

TO: Mayor and Council DATE: June 5, 2007

FROM: Surrey Homelessness Fund Interim Advisory Committee and City Solicitor FILE: 4815-30

SUBJECT: Establishment of a Surrey Homelessness and Housing Fund within the Vancity Community Foundation and a Surrey Homelessness and Housing Society

RECOMMENDATION

It is recommended that Council:

1. Receive this report for information.
2. Approve the incorporation, purposes, constitution and bylaws of the Surrey Homelessness and Housing Society (the "Society") with the City of Surrey (the "City") as a member of the Society and with other members and directors, as documented in Appendix "A" of this report;
3. Approve a policy whereby the Society's governance model is reviewed every three (3) years;
4. Delegate to the City Manager the responsibility of appointing a nominating committee to recommend to Council a list of directors and members for appointment by Council to the Society (the "Nominating Committee");
5. Approve the Vancity Community Foundation (the "Vancity Foundation") as the foundation that will hold at the discretion of the Society part or all of the funds of the Surrey Homelessness and Housing Fund;
6. Approve the Deed of Trust between the City, the Society and the Vancity Foundation substantially in the form documented in Appendix "B" of this report (the "Deed of Trust") to establish the Surrey Homelessness and Housing Fund; and

7. Approve the transfer of the funds (approximately \$9.0 million +/-) within the City's Affordable Housing Reserve Fund to the Society and the Vancity Foundation to establish the Surrey Homelessness and Housing Fund.

INTENT

The intent of this report is to seek Council approval to establish the Surrey Homelessness and Housing Fund (the "Fund") and a Society to raise and distribute funds to initiatives and programs that address homelessness and housing needs in Surrey.

It is proposed that the Fund be housed within the Vancity Foundation and the Society. The City of Surrey's Affordable Housing Reserve Fund, which currently amounts to approximately \$9 million, will be transferred to both the Vancity Foundation and the Society. The Fund held by the Vancity Foundation will be used for investment and program management services in accordance with the Deed of Trust documented in Appendix "B" to this report. The Society will address homelessness and housing related issues in Surrey by:

- raising monies and investing them wisely;
- providing a mechanism for private donors to make charitable donations;
- using existing funds to leverage private and senior government monies;
- facilitating collaborative partnerships; and
- distributing funds to projects and programs that assist or enable individuals to exit or avoid homelessness and to have stable housing.

This report also sets out the purposes, constitution, bylaws and governance structure of the proposed Society of which the City and two independent persons will be members. The Society will have a board whose focus will be to provide direction and guidance on all matters related to the administration, marketing, promotion and growth of the Fund, as well as provide direction to the Vancity Foundation on the disbursement of grants from the Fund.

BACKGROUND

In early 2006 the Mayor appointed a Task Force focused on establishing a Housing and Homelessness Fund or other mechanism to raise and distribute funds to projects and programs to address homelessness in Surrey. On July 24, 2006, Council received a report from the Task Force, Corporate Report No. R176 and approved, in principle, the establishment of a Fund within an existing Foundation and authorized using the amount in the City's Affordable Housing Reserve Fund to establish the new Fund.

On September 11, 2006, Council approved the Terms of Reference (attached as Appendix "C") for an Interim Advisory Committee to work with City staff to undertake the necessary steps to set up the Fund. The major tasks for this Advisory Committee were to recommend a Foundation within which the Fund would be housed and an appropriate governance model for the functioning of the Fund.

DISCUSSION

Request for Proposals ("RFP") and Selection Process

The Surrey Homelessness Fund Interim Advisory Committee (the "Advisory Committee") recently conducted a Request for Proposals from Foundations that were interested in housing and managing the Fund. Three Foundations submitted proposals including:

- the Vancouver Foundation;
- the Surrey Foundation; and
- the Vancity Community Foundation.

The proposals were reviewed by the Advisory Committee and a sub-committee (the "Interview Committee") was formed to conduct interviews with the three proponents. The Advisory Committee at its meeting of April 12, 2007, received a report from the Interview Committee. The Interview Committee had each proponent answer a series of questions related to five selection criteria:

- Surrey identity;
- working relationship;
- managing and investing the Fund;
- growing the Fund; and
- unique features of the Foundation.

As a result of the interviews and analysis of the proposals, the Interview Committee concluded that the Vancity Foundation was the preferred proponent to administer the Fund subject to agreement on a Trust Deed between the City and the Vancity Foundation on how the Fund will be established and the benefits that will be received.

It was recommended by the Advisory Committee that the Chair of the Committee and City staff proceed with discussions with the Vancity Foundation to determine the best arrangement for establishing and managing the Fund.

Legal Services and Vancity Foundation's lawyers have drafted a Deed of Trust as documented in Appendix "B" to this report. The City Solicitor is of the opinion that the attached draft Deed of Trust provides the City with reasonable flexibility and appropriate controls for the Society to administer the Fund.

Based on discussions with the Vancity Foundation and on the advice of the City Solicitor, the Advisory Committee is now recommending that Council approve entering into a Deed of Trust with the Vancity Foundation substantially in the form documented in Appendix "B" to this report. The proposed Society is also a party to the Deed of Trust in its capacity as an advisor to the Vancity Foundation, potential donor and recipient of part or all of the Fund should the Deed of Trust be terminated or revoked.

The following is an overview of the Vancity Community Foundation proposal:

1. Administration
 - The Vancity Foundation will provide accounting, administrative and support services to the Society.
2. Housing Development Coordinator
 - The Vancity Foundation will provide a housing development coordinator and provide office space, technical support and supervision as an "in kind" contribution. The Manager of Community Projects within the Vancity Foundation organizational structure will be his/her supervisor.
 - The housing development coordinator will be a skilled professional capable of managing the work of the Society's board, overseeing the grant application process, developing partnerships with senior levels of government, managing contracts, and able to represent the Vancity Foundation publicly. The housing development coordinator will have expertise in the area of housing and homelessness.
3. Marketing, Communication and Fund-raising
 - The development of a marketing, communications and fund-raising plan can be done through a contract with Vancity Foundation. Alternatively, the Society may undertake these activities.
4. Investment / Rate of Return
 - It is in the City's interest to maximize the rate of return on the Fund. All Foundations interviewed projected an anticipated rate of return while all also noting that returns are based on market factors and cannot be guaranteed. The Vancity Foundation projected an estimated net return of 7.2%. The fact that the Fund is to be invested ethically will likely be a positive feature for prospective donors.
5. Group of Companies – Support / Assistance
 - The Vancity Corporation is committed to supporting the work of its subsidiaries to "make communities better" including the Vancity Foundation. It was confirmed that any initiative of the Vancity Foundation has access to the expertise of all of the Vancity Group of Companies. It may be possible to leverage other partnerships and funding arrangements for specific projects.
 - The Vancity Foundation has the capacity to bring other funders or "players" to the table (e.g. Enterprising Non-Profits' Partners including federal and provincial representatives, Coast Capital, Bell and other entities).
 - The Vancity Foundation can assist in making a project feasible by underwriting mortgage loans for specific projects.
6. Vancity Foundation Direct Contribution to Fund
 - The Vancity Foundation advised that it would contribute matching funds of \$25,000 per year for each of the first three years toward mutually agreed upon homelessness projects in Surrey.

7. Fixed Fee for Services
 - The Vancity Foundation advised that a fixed fee for services will cover Fund administration and accounting, and administrative and support services to the Society and its board. The fee proposed by the Vancity Foundation is comparable or below the fees proposed by the other proponents.
 - The fee is a flat rate and not related to the amount contained within the Fund. However, this fee will not cover the audit and regulatory filing requirements of the Society.

Reasons for Recommending the Vancity Foundation:

The Advisory Committee is recommending the Vancity Foundation as the preferred Foundation based on an evaluation of the proposals using the following criteria:

1. Surrey Identity
 - Strengthening the community of Surrey is identified as a strategic priority in Vancity's Community Leadership Plan. In addition to funding projects in Surrey, the Vancity Foundation is actively involved in community partnerships and collaborations. Vancity Foundation staff sit as members of Vibrant Surrey (poverty reduction initiative) and the Surrey Urban Enrichment Initiative (inner-city revitalization). Of note, the Vancity Foundation has been the exclusive funder of the Surrey Urban Enrichment Initiative to date. Their support has enabled the three levels of government and a community advisory committee to begin to work together on the implementation of Surrey's Social Plan. Recently the Vancity Foundation made a significant financial contribution to Phoenix House.
2. Working Relationship
 - The Vancity group of companies – the Vancity Foundation, Vancity Credit Union and Vancity Enterprises have a track record of commitment and experience in addressing social, homelessness and housing issues.
 - The Vancity Foundation proposed the hiring of a housing development coordinator to manage contracting, the grant application process and develop partnerships with senior levels of government.
3. Managing and Investing the Fund
 - With existing assets of approximately \$20 million, the Vancity Foundation is large and experienced enough to have the capacity to manage and administer the Fund; however, the Fund will still be a significant amount in relation to Vancity Foundation's total assets.
4. Investment and Management of the Fund
 - While there were some differences in money management fees, they were not significant enough to affect the choice of Foundation. There were no significant differences in projected rates of return between the proponents. Vancity is in the business of investment management and therefore has expertise and a good track record in relation to its investment business.

5. Unique Features of the Vancity Foundation
- The Vancity Foundation can offer benefits from synergies that may result from being associated with the Vancity Group of companies (e.g. Vancity Credit Union may offer mortgage loans for projects).
 - The Vancity Foundation is prepared to provide matching funds for grants that fit with the mandate of the Fund, up to a maximum of \$25,000 per year over the first three years of the relationship.
 - The Vancity Foundation has a track record of commitment to homelessness and housing issues as evidenced by its recent donation to the Phoenix House.

Two Types of Funds Within the Fund

The creation of a Society by the City which is capable of issuing charitable receipts, provides the City with the maximum flexibility should it wish to retract through the Society any of its accumulated capital and income from the Vancity Foundation, or undertake individual homelessness projects on its own. There will be two types of funds (within the "Fund") held by both the Society and the Vancity Foundation:

- (a) a fund holding minimum 10 year endowment capital funds from individual donors; and
- (b) a fund holding flow-through funds (subject to the 80% disbursement rule), unreceipted funds such as the City's capital contributions and specified gifts from other charities and levels of government.

These two segregated accounts will allow seamless transfers of funds between the Vancity Foundation and the Society. It should be noted that the two funds within the Fund will be pooled for investment purposes.

The first referenced fund will be for private donors who make receipted 10 year minimum gift endowments. The other type of fund is for donations from other levels of government, foundations, donors who are making unreceipted gifts, and flow-through donations (receipted gifts subject to the 80% disbursement rule). Tax legal counsel recommends two segregated funds within the Fund to facilitate the *Income Tax Act* (Canada) compliance.

The Society will be actively campaigning private donors for charitable gifts to the Fund. For example, gifts from private donors deposited into the Fund in exchange for a charitable deduction tax receipt would be "flow-through" gifts covered by the 80% disbursement rule. However, private donors, in consultation with the Vancity Foundation or the Society, may wish to make endowed gifts to avoid this rule. These gifts could be made to either the Society or the Vancity Foundation and will require that the capital endowment be retained for at least 10 years. These gifts can move back and forth between the Society and the Vancity Foundation provided they maintain the 10 year minimum endowment direction and charitable purposes. It is therefore recommended that for tax accounting purposes both the Society and Vancity Foundation each maintain a separate fund within the Fund for 10 year rule endowment gifts.

Under Revenue Canada regulations except as noted below, if a donation is made to the Fund, 80% of the donation must be disbursed in the same year or in the year following the year in which the donation was made (i.e., the 80% disbursement rule).

Disbursements must be made by the Vancity Foundation or the Society by way of grants to "qualified donees" or by using the funds in charitable activities pursuant to the terms of the *Income Tax Act* (Canada).

There are certain types of donations that are not subject to the 80% disbursement rule. These are:

- (a) unreceipted gifts from a person or entity that is not a registered charity (meaning gifts for which the foundation does not issue a charitable receipt and, consequently, the donor cannot obtain a tax credit e.g. the City and other levels of government);
- (b) "specified gifts" from other charities (specified gifts are gifts that are designated as such in the information return that the donor charity is required to file with the Canada Revenue agency for the year in which the gift was made; specified gifts do not count as a credit against the donor charity's disbursement quota); and
- (c) 10-year gifts (i.e., endowment funds) from persons other than registered charities (these are gifts that are subject to a direction that the capital cannot be disbursed for at least 10 years).

The private donors will elect at the time of their gift whether they wish it to be a 10 year minimum endowment gift or a flow-through donation (subject to the 80% disbursement rule). For investment purposes, the flow-through funds can be held pooled with the other non 10-year rule gifts noted in (a) and (b) above.

To the extent that the 80% disbursement rule does not apply, the Fund will still be subject to the 3.5% disbursement quota rule, which requires that each year the Fund distribute to "qualified donees" at least 3.5% of the value of its assets.

Transfer and Revocation of Funds from Vancity Foundation

Section 9(a) of the Deed of Trust allows the Vancity Foundation to terminate the Deed of Trust in which case all capital and undistributed income must be distributed to the Society. Under s. 9(b) of the Deed of Trust the Society can terminate the Deed of Trust and require the return of all of the Fund from the Vancity Foundation, including capital and undistributed income with 180 days written notice.

Alternatively, the Society can revoke part of the Fund on 180 days written notice. The Society will have to hold the capital and income of the revoked portion of the Fund on the same terms and conditions as the Vancity Foundation was holding the Fund. For example, the separate part of the Fund holding 10 year minimum endowments from private donors will have to be continued to be held by the Society on the same basis as the Vancity Foundation. The segregated parts of the Fund noted above will allow

transfers from the Vancity Foundation to the Society and vice versa without adverse tax consequences.

Surrey Homelessness and Housing Society

The Advisory Committee is recommending a charitable Society as part of the governance structure for administering the Fund, fund raising, distributing grants and providing public accountability.

The key advantages of having a Society are:

- provides "brand" recognition in fundraising;
- provides a statutory process for accountability;
- formalizes fiduciary responsibilities of the directors;
- will have audited financial reporting;
- facilitates retraction if the Society wishes to take back part or all of the Fund from the Vancity Foundation; and
- directors can be indemnified with insurance.

The proposed purposes, membership, constitution and bylaws of the Society are documented in Appendix "A" to this report. The members of the Society play a role similar to shareholders in a corporation. The Society will have five members and they are proposed as the City representing Council, the City Manager, the General Manager, Finance and Technology and two independent members. The two independent members will be appointed by Council in consultation with the Nominating Committee.

Five first directors of the Society's Board are required and City staff will hold these positions until Council appoints directors to the permanent 11 to 13 member board of directors in consultation with the Nominating Committee. The Advisory Committee resolved that the City Manager be delegated the responsibility of appointing the Nominating Committee.

It is recommended that Council adopt a policy that the Society's governance model be reviewed every three (3) years. This relates to the expectation that the Fund will grow significantly over time and the involvement of other interests in the Society may be appropriate.

Size and Composition of the Board

Eleven to thirteen directors are proposed for the board. It is recognized that the board should include directors with successful fund raising experience. The Nominating Committee will forward recommendations regarding candidates for the director positions to Council. The Advisory Committee is recommending that the board include the following as directors:

- City Council (2 members);
- Business and development interests (2 members);
- Faith organizations (1 member);

- Labour (1 member);
- Non-profit or community service organizations (1 member); and
- Interested, at-large community members (between 4 and 6 members).

Purpose of the Board

The overall purpose of the Society's board is to provide direction and guidance on all matters related to the administration, marketing, promotion and growth of the Fund, as well as give advice to the Vancity Foundation on the disbursement of grants. The Society may also make grants directly to accomplish the purposes of the Society. The purposes of the Society as defined in its constitution include:

- (a) To raise funds from donors for the purpose of financing programs and projects that address homelessness and housing in Surrey.
- (b) To provide financial assistance for homelessness and housing programs, projects, support services and special needs housing.
- (c) To provide advice and direction on the disbursement of grants for programs and projects that address homelessness and housing in Surrey, and all matters related to the administration, marketing, promotion, investment and growth of endowment funds, grants and donations.

Specific Tasks of the Board

The specific tasks include:

- (a) Understanding the homelessness situation in Surrey:
 - To have an understanding of the emerging trends and developments related to homelessness in Surrey.
- (b) Administrating the Fund:
 - To examine and recommend to the Vancity Foundation the specific allocation of all monies contained within the Fund as endowment and flow-through funds.
 - To ensure that the Vancity Foundation is achieving the investment goals as established by the board.
 - Preparing an annually updated business plan for Council approval.
 - Preparing an annual budget for the Society for Council approval.
- (c) Building the Fund:
 - To develop a fundraising, communication and marketing strategy to substantially grow the Fund.
 - To ensure that the fundraising and marketing strategy is implemented and that it achieves its intended results.
- (d) Distributing Grants:
 - To develop conflict of interest guidelines.

- To decide on the criteria that will be used for allocating the grants.
 - To decide which agencies and projects should receive grants.
 - To establish the reporting and evaluative policies and procedures for agencies receiving the grants.
- (e) Public Accountability:
- To produce quarterly financial reports for the Society and the Fund.
 - To produce an annual report describing the progress and effectiveness of the Society and the Fund in addressing homelessness in Surrey, including a listing of all funded agencies and projects.

CONCLUSION

It is recommended that Council:

- Approve the incorporation, purposes, constitution and bylaws of the Society with the City of Surrey as a member of the Society and with other members and directors, as documented in Appendix "A" of this report;
- Approve a policy whereby the Society's governance model is reviewed every three (3) years;
- Delegate to the City Manager the responsibility of appointing a Nominating Committee to recommend to Council a list of directors and members for appointment by Council to the Society;
- Approve the Vancity Foundation as the foundation that will hold at the discretion of the Society part or all of the funds of the Surrey Homelessness and Housing Fund;
- Approve the Deed of Trust between the City, the Society and the Vancity Foundation substantially in the form documented in Appendix "B" of this report to establish the Surrey Homelessness and Housing Fund; and
- Approve the transfer of the funds (approximately \$9.0 million +/-) within the City's Affordable Housing Reserve Fund to the Society and the Vancity Foundation to establish the Surrey Homelessness and Housing Fund.

The next steps in this process include recommendations to Council by the Nominating Committee of candidates for the appointment of directors and members for the Society. An annual budget and business plan for the Society will be prepared for consideration by the Society's board.

CRAIG MacFARLANE
City Solicitor

JUDY VILLENEUVE
Chairperson, Surrey Homelessness
Fund Interim Advisory Committee

CM:mlg

c.c. General Manager, Finance & Technology
Acting General Manager, Planning & Development

Appendix "A" – Surrey Homelessness and Housing Society Constitution and Bylaws

Appendix "B" – Deed of Trust

Appendix "C" – Interim Advisory Committee Terms of Reference

APPENDIX "A"

SOCIETY ACT

CONSTITUTION

1. The name of the society is SURREY HOMELESSNESS AND HOUSING SOCIETY.
2. The purposes of the society are:
 - (a) To raise funds from donors for the purpose of financing programs and projects that address homelessness in Surrey.
 - (b) To conduct, and to provide financial assistance to, homelessness housing initiatives, programs, projects, support services and special needs housing.
 - (c) To provide advice and direction on the disbursement of grants for programs and projects that address homelessness in Surrey, and all matters related to the administration, marketing, promotion, investment and growth of endowment funds, grants and donations.
3. The activities of the society shall be carried on without purpose of gain for its members and any income, profits or other accretions to the society shall be used in promoting the purposes of the society.
4. Upon winding-up or dissolution of the society, the funds and property remaining after the payment of all costs, charges and expenses properly incurred in the winding-up or dissolution, including the remuneration of the liquidator, and after payment of any debts of the society, shall be distributed to such charities, registered under the provisions of the *Income Tax Act* (Canada), or such "qualified donees" allowed under the *Income Tax Act* (Canada), as shall be designated by the board. Any of such funds or property remaining which had originally been received for specific purposes shall, wherever possible, be distributed to "qualified donees" or charities registered under the provisions of the *Income Tax Act* (Canada) carrying on work of a similar nature to such specific purposes.
5. Paragraphs 3, 4 and 5 are unalterable.

BYLAWS

PART 1 – INTERPRETATION

- 1.1 In these bylaws and the constitution of the Society, unless the context otherwise requires:
 - (a) "address of the Society" means the address of the Society as filed from time to time with the Registrar in the Notice of Address;
 - (b) "appointed director" means a person appointed in accordance with these bylaws as an appointed director or appointed as a replacement director for an appointed director;

- (c) "Board" means the directors acting as authorized by the constitution and these bylaws in managing or supervising the management of the affairs of the Society and exercising the powers of the Society;
- (d) "Board resolution" means:
 - (i) a resolution passed at a meeting of the Board by a simple majority of the votes cast by those directors entitled to vote at such meeting; or
 - (ii) a resolution that has been submitted to all of the directors and consented to in writing by two-thirds of the directors who would have been entitled to vote on it in person at a meeting of the Board;
- (e) "bylaws" means the bylaws of the Society as filed in the Office of the Registrar;
- (f) "City" means the City of Surrey;
- (g) "City Representatives" means those persons holding from time to time the offices or appointments listed in Bylaw 2.1;
- (h) "constitution" means the constitution of the Society as filed in the Office of the Registrar;
- (i) "Council" means the City Council of the City of Surrey;
- (j) "directors" means only those persons who have become either appointed, elected, founding or replacement directors in accordance with these bylaws and have not ceased to be directors, and a "director" means any one of them;
- (k) "elected director" means a person elected as an elected director in accordance with these bylaws or elected or appointed as a replacement director for an elected director;
- (l) "founding director" means a person whose name is included in the List of First Directors filed with the Registrar at the time of incorporation;
- (m) "*Income Tax Act*" means the *Income Tax Act* (Canada) as amended from time to time;
- (n) "members" means the applicants for incorporation of the Society and those persons who have subsequently become members in accordance with these bylaws and, in either case, have not ceased to be members, and a "member" means any one of them;

- (o) "ordinary resolution" means:
 - (i) a resolution passed at a general meeting of the Society by a simple majority of the votes cast by those members entitled to vote in person or by proxy at such meeting; or
 - (ii) a resolution that has been submitted to all of the members and consented to in writing by 75% of the members who would have been entitled to vote in person or by proxy at a general meeting of the Society;
- (p) "President" means a director appointed to the office of President in accordance with these bylaws but such office holder may, with the approval of a Board resolution, use the title Chair, Chairperson, Chairwoman or Chairman in substitution for, or in addition to, the title "President";
- (q) "registered address" of a member or director means the address of that person as recorded in the register of members or the register of directors;
- (r) "Registrar" means the Registrar of Companies of the Province of British Columbia;
- (s) "Society" means the Surrey Homelessness and Housing Society, a society incorporated under the laws of British Columbia;
- (t) "*Society Act*" means the *Society Act* (British Columbia) as amended from time to time;
- (u) "special resolution" means:
 - (i) a resolution passed at a general meeting of the Society by a majority of not less than 75% of the votes cast by those members entitled to vote in person or by proxy at such meeting; or
 - (ii) a resolution consented to in writing by every member who would have been entitled to vote in person or by proxy at a general meeting of the Society.

- 1.2 Except where they conflict with the definitions contained in these bylaws, the definitions in the *Society Act* on the date these bylaws become effective apply to these bylaws and the constitution.

PART 2 – MEMBERSHIP

- 2.1 The first members of the Society shall be the applicants for incorporation and those persons named on the List of First Directors filed with the Registrar at the time of incorporation. Following incorporation, applicants who are not City Representatives

shall cease as members, and the Society membership, from incorporation forward, shall consist only of the following:

- (a) the City;
- (b) the City Manager of the City;
- (c) the General Manager, Finance and Technology, of the City; and
- (d) two (2) independent members who are appointed by Council.

All City Representatives immediately become members of the Society upon being elected or appointed as City Representatives in accordance with these bylaws.

- 2.2 There shall be no annual membership dues.
- 2.3 Every member shall uphold the constitution and comply with these bylaws.
- 2.4 A person shall immediately cease to be a member of the Society:
 - (a) upon the expiration or cessation of his or her position or term as a City Representative;
 - (b) upon the date which is the later of the date of delivering his or her resignation in writing to the Secretary of the Society or to the address of the Society and the effective date of the resignation stated therein;
 - (c) upon his or her death; or
 - (d) upon being removed.
- 2.5 The membership of a person in the Society is not transferable.
- 2.6 A member may be removed by ordinary resolution.
- 2.7 All members are always in good standing.
- 2.8 The criteria for Society membership shall be reviewed every three years from the date of incorporation.

PART 3 - MEETINGS OF MEMBERS

- 3.1 The general meetings of the Society shall be held at such time and place, in accordance with the *Society Act*, as the directors shall decide.
- 3.2 Notice of a general meeting shall specify the place, the day and the hour of the meeting.

- 3.3 The accidental omission to give notice of a general meeting to, or the non-receipt of notice by, any of the members entitled to receive notice does not invalidate proceedings at that meeting.
- 3.4 The first annual general meeting of the Society shall be held not more than 15 months after the date of incorporation, and thereafter an annual general meeting shall be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting.
- 3.5 Every general meeting other than an annual general meeting is an extraordinary general meeting.
- 3.6 The directors may, whenever they think fit, convene an extraordinary general meeting.

PART 4 - PROCEEDINGS AT GENERAL MEETINGS

- 4.1 Special business is:
 - (a) all business at an extraordinary general meeting except the adoption of rules of order; and
 - (b) all business that is transacted at an annual general meeting, except:
 - (i) the adoption of rules of order;
 - (ii) consideration of the financial statements;
 - (iii) consideration of the report of the directors;
 - (iv) consideration of the report of the auditor;
 - (v) the election or appointment of directors;
 - (vi) the appointment of the auditor; and
 - (vii) such other business that, under these bylaws or any governing statutes, ought to be transacted at an annual general meeting, or business which is brought under consideration by the report of the directors if the report was issued with the notice of the meeting.
- 4.2 A quorum at a general meeting is the greater of one-third of the members or three members present.
- 4.3 No business, other than the election of a person to chair the meeting and the adjournment or termination of the meeting, shall be conducted at a general meeting at a time when a quorum is not present.

- 4.4 If at any time during a general meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- 4.5 If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be terminated; but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the members present shall constitute a quorum.
- 4.6 The President, or, in his or her absence, one of the other directors present, shall chair all general meetings; but if at any general meeting the President or any other director is not present within 15 minutes after the time appointed for the general meeting, or all request that they not chair the meeting, the members present may choose one of their members to chair that general meeting.
- 4.7 If a person presiding as chair of a general meeting wants to step down as chair for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the members present at such meeting, he or she may preside as chair.
- 4.8 A general meeting may be adjourned from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 4.9 It is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting except where a meeting is adjourned for more than 14 days, in which case notice of the adjourned meeting shall be given as in the case of the original meeting.
- 4.10 Any issue at a general meeting which is not required by these bylaws or the *Society Act* to be decided by a special resolution shall be decided by an ordinary resolution.
- 4.11 A member in good standing is entitled to one vote.
- 4.12 A member chairing a general meeting may vote but, if he or she does so and the result is a tie, shall not be permitted to vote again to break the tie and the resolution being voted on shall be deemed to have failed.
- 4.13 No resolution proposed at a general meeting need be seconded and the person chairing such a meeting may move or propose a resolution.
- 4.14 Voting shall be by show of hands or voice vote recorded by the secretary of the meeting, unless if any two members present at the meeting make a request for a secret vote, a secret vote by written ballot shall be required.
- 4.15 Voting by proxy is permitted.

- 4.16 A resolution in writing which is identified as an ordinary resolution and has been submitted to all the members and signed by a minimum of 75% of the members who would have been entitled to vote on it in person or by proxy at a general meeting of the Society is as valid and effectual as an ordinary resolution as if it had been passed at a meeting of members duly called and constituted and shall be deemed to be an ordinary resolution. Such a resolution may be in two or more counterparts which together shall be deemed to constitute one ordinary resolution in writing. Such ordinary resolution shall be filed with minutes of the proceedings of the members and shall be effective on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.
- 4.17 A resolution in writing which is identified as a special resolution and has been signed by all the members who would have been entitled to vote on it in person or by proxy at a general meeting of the Society is as valid and effectual as a special resolution as if it had been passed at a meeting of members duly called and constituted. Such a resolution may be in two or more counterparts which together shall be deemed to constitute one special resolution in writing. Such special resolution shall be filed with minutes of the proceedings of the members and filed with the Registrar and shall be deemed to be passed on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart and shall take effect on the date it is accepted by the Registrar.

PART 5 - DIRECTORS

- 5.1 The Board may exercise all such powers and do all such acts and things as the Society may exercise and do, and which are not by these bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the members in general meeting, but subject, nevertheless, to the provisions of:
- (a) all laws affecting the Society;
 - (b) these bylaws; and
 - (c) rules, not being inconsistent with these bylaws, which are made from time to time by the Society in general meeting.
- 5.2 No rule made by the Society in general meeting invalidates a prior act of the Board that would have been valid if that rule had not been made.
- 5.3 The property and the affairs of the Society shall be managed by the Board.
- 5.4 Every director shall subscribe to and support the purposes of the Society. No person shall be a director of the Society unless duly elected or appointed a director in accordance with these bylaws and shall cease to be a director if notice of a change in directors is not filed with the Registrar in compliance with the *Society Act* within 60 days of such election or appointment.

- 5.5 The number of directors shall be eleven or such other number, not being less than eleven, as may be determined from time to time by ordinary resolution and two directors shall be members of City Council.
- 5.6 The persons whose names are listed in the List of First Directors filed with the Registrar at the time of incorporation shall be the founding directors of the Society and each shall continue as a director of the Society without a specific term until such time as he or she dies or resigns in writing or is removed by ordinary resolution of the members.
- 5.7 Elected directors shall be elected by the members at a general meeting and shall take office commencing at the close of such meeting. The term of office of elected directors shall be determined by ordinary resolution.
- 5.8 For purposes of calculating the duration of an elected director's term of office, the term shall be deemed to commence at the close of the annual general meeting in which such director was elected. If the director was elected at an extraordinary general meeting, for purposes of calculating the term of office, such term shall be deemed to have commenced at the close of the annual general meeting next following such extraordinary general meeting.
- 5.9 In elections where there are more candidates than vacant positions for directors, candidates shall be deemed to be elected in order of those candidates receiving the most votes.
- 5.10 No member shall vote for more directors than the number of vacant positions for elected directors. Any ballot on which more names are voted for than there are vacant positions shall be deemed to be void.
- 5.11 The members may, from time to time, appoint up to a maximum of two additional directors, to be known as appointed directors, for such terms of office as determined by the members.
- 5.12 A person need not be a member of the Society or a City Representative to be eligible to be a director of the Society.
- 5.13 A majority of the directors shall be resident or employed in the City of Surrey.
- 5.14 Every director shall retire from office at the close of the annual general meeting in the year in which his or her term expires.
- 5.15 The members may by ordinary resolution remove a director before the expiration of such director's term of office and may elect or appoint a person as a replacement director and determine the term of such replacement director.
- 5.16 Notwithstanding the foregoing bylaws, if a director ceases to hold office during his or her term for any reason other than removal as aforesaid, the Board may appoint a person as a replacement director to take the place of such director until the next annual general meeting.

- 5.17 No act or proceeding of the Board is invalid by reason only of there being less than the prescribed number of directors in office.
- 5.18 A person shall immediately cease to be a director of the Society:
- (a) upon delivering his or her resignation in writing to the Secretary of the Society or to the address of the Society;
 - (b) upon his or her death;
 - (c) upon the expiration of the term currently determined stipulating the length of time for which he or she is to serve as a director; or
 - (d) upon being removed as a director by the members.
- 5.19 Notwithstanding the foregoing bylaws, if no successor is elected or appointed to replace a person who ceases to be a director and the result is that the number of directors falls below eleven, then the remaining directors shall have the power to manage the affairs of the society and exercise all of the powers of the Board until the vacancy in the Board has been filled.
- 5.20 A director shall not be remunerated for services rendered in his or her capacity as a director.
- 5.21 A director may be reimbursed for all expenses necessarily and reasonably incurred by him or her while engaged on the affairs of the Society.
- 5.22 A director may hold any office in the Society (other than auditor) in conjunction with his or her office of director for the period and on such terms as the Board determines. Subject to the *Society Act*, no director shall be disqualified by such office from contracting with the Society.
- 5.23 The Society shall have the power to make expenditures and loans whether or not secured or interest bearing for the purpose of furthering the purposes of the Society. The Society shall also have the power to enter into trust arrangements or contracts for the purpose of discharging obligations or conditions either imposed by a person donating, bequeathing, advancing or lending funds or property to the Society, or assumed by the Society in expectation of such donations, bequests, advances or loans. Such arrangements or contracts shall be in accordance with the terms and conditions that the Board may prescribe.
- 5.24 The Board shall take such steps as it deems necessary to enable the Society to receive donations, bequests, funds, property, trusts, contracts, agreements and benefits for the purpose of furthering the purposes of the Society. The Board in its sole and absolute discretion may refuse to accept any donation, bequest, trust, loan, contract or property.
- 5.25 In investing the funds of the Society, the Board shall not be limited to securities and investments in which trustees are authorized by law to invest, but may make any investments which in its opinion are prudent. In determining whether an investment is

prudent, the Board may consider the extent to which an investment furthers purposes and funding of the Society in addition to issues of pure economic return. Subject to the provisions of the *Society Act*, a director shall not be liable for any loss which may result from any such investment.

PART 6 - PROCEEDINGS OF THE BOARD

- 6.1 A meeting of the Board may be held at any time and place determined by the Board, provided that 5 days' notice of such meeting shall be sent in writing to each director. However, no formal notice shall be necessary if all directors were present at the preceding meeting when the time and place of the meeting were determined or are present at the meeting or waive notice thereof in writing or give a prior verbal waiver to the Secretary of the Society.
- 6.2 The Board may from time to time fix the quorum necessary to transact business, and in no instance may the number necessary for a quorum be less than five.
- 6.3 The President shall chair all meetings of the Board; but if at any meeting the President is not present within 15 minutes after the time appointed for the meeting, or the President requests that he or she not chair that meeting, the directors present may choose one of their number to chair that meeting.
- 6.4 If the person presiding as chair of a meeting of the Board wants to step down as chair for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the directors present at such meeting, he or she may preside as chair.
- 6.5 The President may at any time, and the Secretary on the request of a director shall, convene a meeting of the Board.
- 6.6 For the purposes of the first meeting of the Board held immediately following the appointment or election of a director or directors at a general meeting, or for the purposes of a meeting of the Board at which a director is appointed to fill a vacancy in the Board, it is not necessary to give notice of the meeting to the newly elected or appointed director or directors for the meeting to be properly constituted.
- 6.7 No resolution proposed at a meeting of the Board must be seconded. The person chairing a meeting may move or propose a resolution.
- 6.8 Any issue at a meeting of the Board which is not required by these bylaws or the *Society Act* to be decided by a resolution requiring more than a simple majority shall be decided by a Board resolution.
- 6.9 A director chairing a meeting may vote but, if he or she does so and the result is a tie, he or she shall not be permitted to vote again to break the tie and the resolution being voted on shall be deemed to have failed.

- 6.10 Voting shall be by show of hands or voice vote recorded by the Secretary of the meeting except that, at the request of any one director, a secret vote by written ballot shall be required.
- 6.11 A Board resolution in writing which has been deposited with the Secretary is as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. Such Board resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with minutes of the proceedings of the Board and shall be effective on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.
- 6.12 A director who contemplates being or is temporarily absent from Canada may, by letter or facsimile, send or deliver to the address of the Society a waiver of notice of any meeting of the Board for a period not longer than one year and may, at any time, withdraw the waiver in like manner. Until the waiver is withdrawn:
- (a) no notice of meetings of the Board need be sent to that director; and
 - (b) any and all meetings of the Board, notice of which has not been given to that director shall, if a quorum is present, be valid and effective.

PART 7 - COMMITTEES

- 7.1 The Board may create such standing and special committees as may from time to time be required which may be in whole or in part composed of directors as the Board thinks fit. The Board may delegate any, but not all, of its power to such committees and any such committee shall limit its activities to the purpose or purposes for which it is appointed, and shall have no powers except those specifically conferred by the Board. Unless specifically designated as a standing committee, any special committee so created must be created for a specified time period only. Upon completion of the earlier of the specified time period or the task for which it was appointed, a special committee shall automatically be dissolved.
- 7.2 A committee, in the exercise of the powers delegated to it, shall conform to any rules that may from time to time be imposed by the Board, and shall report every act or thing done in exercise of those powers at the next meeting of the Board held after it has been done, or at such other time or times as the Board directs.
- 7.3 The members of a committee may meet and adjourn as they think proper and meetings of committees shall be governed *mutatis mutandis* by the rules set out in these bylaws governing proceedings of the Board.

PART 8 - DUTIES OF OFFICERS

- 8.1 The members shall by ordinary resolution appoint from among the directors a President who shall hold office for the term specified in the ordinary resolution and in the event that no term is specified, until the first meeting of the Board held after the next following

annual general meeting unless he or she is removed from the office of President pursuant to Bylaw 8.3. The President shall be responsible for chairing meetings of the Board.

- 8.2 The Board shall appoint a Secretary and Treasurer and may, subject to Bylaw 8.1, appoint and remove such other officers of the Society as it deems necessary and determine the duties, responsibilities, term and remuneration, if any, of all officers.
- 8.3 A person other than the President may be removed as an officer by a Board resolution. A person may only be removed from the office of President by a resolution, complying with the provisions of the ordinary resolution appointing such person President, passed at a meeting of the members by a majority of not less than 70% of the members present.
- 8.4 Should the President or any other officer for any reason not be able to complete his or her term, the Board shall elect or appoint a replacement without delay.
- 8.5 The Secretary shall be responsible for making the necessary arrangements for:
- (a) the issuance of notices of meetings of the Board;
 - (b) the keeping of minutes of all meetings of the Board;
 - (c) the custody of all records and documents of the Society except those required to be kept by the Treasurer;
 - (d) the custody of the common seal of the Society;
 - (e) the maintenance of the register of directors; and
 - (f) the conduct of the correspondence of the Society.
- 8.6 The Treasurer shall be responsible for making the necessary arrangements for:
- (a) the keeping of such financial records, including books of account, as are necessary to comply with the *Society Act*; and
 - (b) the rendering of financial statements to the directors, members and others when required.
- 8.7 If the Secretary is absent from any meeting of the Board, the directors present shall appoint another person to act as secretary at that meeting.
- 8.8 A person may be appointed to two or more of the offices of the Society at any one time.

PART 9 - SEAL

- 9.1 The Board may provide a common seal for the Society and it shall have power from time to time to destroy a seal and substitute a new seal in its place.

- 9.2 The common seal shall be affixed only when authorized by a resolution of the Board, and then only in the presence of the persons prescribed in the resolution or, if no persons are prescribed, in the presence of any two directors.

PART 10 - BORROWING AND INVESTMENTS

- 10.1 The Board may from time to time on behalf of and in the name of the Society:
- (a) raise and borrow money in such manner and amounts, on such security, or without security, from such sources and upon such terms and conditions as they think fit;
 - (b) guarantee the repayment of money by any other person or corporation or the performance of any obligation of any other person or corporation; and
 - (c) incur, or secure the payment or repayment of or the performance of, any indebtedness or obligation in such manner and upon such terms and conditions in all respects as the Board thinks fit, and, without limiting the generality of the foregoing, by the issue of bonds, notes, income bond, perpetual or redeemable debentures or any mortgage, charge or other security whether specific or floating, on the undertaking or on the whole or any part of the property and assets (both present and future) of the Society or indebtedness or other obligation of the Society, provided, however, that no debenture shall be issued by the Society without first being authorized by special resolution.
- 10.2 The Society may invest and deal with the monies and assets of the Society not immediately required by the Society in such manner as the Board may from time to time determine. In investing the funds of the Society, the Board shall not be limited to securities and investments in which trustees are authorized by law to invest, but may make any investments which in its opinion are prudent. In determining whether an investment is prudent, the Board may consider the extent to which an investment furthers purposes and funding of the Society in addition to issues of pure economic return. Subject to the provisions of the *Society Act*, a director shall not be liable for any loss which may result from any such investment.
- 10.3 Notwithstanding the generality of the foregoing, the Society may invest in real and personal property, shares, bonds, debentures and other securities and evidences of indebtedness and obligations issued or guaranteed by any individual or entity (regardless of any relationship which might exist between the individual or entity and the Society) and in evidences of any interest in respect of any such real and personal property, share, bonds debentures and other securities and evidence of indebtedness and obligations and the Society may invest and lend money at interest on the security of real or personal property or without security and may change or alter any investments, and while the Society is the holder or owner thereof the Board may, on behalf of the Society, exercise all rights, powers and privileges of ownership, including all voting rights, if any, with respect thereto. The Society shall be authorized to invest in "non-qualified investments" as defined in the *Income Tax Act*.

- 10.4 The Board shall be entitled, in its discretion, to hold and deposit the funds and other assets of the Society in one or more accounts, whether co-mingled with other funds and assets or not, in such manner as the Board in its discretion may determine from time to time.

PART 11 - AUDITOR

- 11.1 This Part applies only where the Society is required or has resolved to have an auditor.
- 11.2 The first auditor shall be appointed by the Board which shall also fill any vacancy occurring in the office of auditor.
- 11.3 At each annual general meeting, the Society shall appoint an auditor to hold office until he or she is re-appointed or his or her successor is appointed at the next following annual general meeting.
- 11.4 An auditor may be removed by ordinary resolution.
- 11.5 An auditor shall be promptly informed in writing of his or her appointment or removal.
- 11.6 The auditor may attend general meetings.

PART 12 - NOTICES

- 12.1 Notice of a general meeting shall be given to:
- (a) every person shown on the register of members as a member on the day the notice is given; and
 - (b) the auditor.

No other person is entitled to be given notice of a general meeting.

- 12.2 A notice may be given to a member or a director either personally (by delivery or facsimile) or by first class mail posted to such person's registered address.
- 12.3 A notice sent by mail shall be deemed to have been given on the second day following that on which the notice was posted. In proving that notice has been given it is sufficient to prove the notice was properly addressed and put in a Canadian Government post office receptacle with adequate postage affixed, provided that if there shall be, between the time of posting and the deemed giving of the notice, a mail strike or other labour dispute which might reasonably be expected to delay the delivery of such notice by the mails, then such notice shall only be effective when actually received. Any notice delivered by hand or sent by facsimile, shall be deemed to have been given on the day it was so delivered or sent.

- 12.4 If a number of days notice or a notice extending over any other period is required to be given, the day the notice is given or deemed to have been given shall not, but the day on which the event for which notice is given shall, be counted in the number of days required.

PART 13 - MISCELLANEOUS

- 13.1 The rules governing when notice is deemed to have been given set out in these bylaws shall apply *mutatis mutandis* to determine when a Board resolution shall be deemed to have been submitted to all of the directors and when an ordinary resolution shall be deemed to have been submitted to all of the members.
- 13.2 Subject to an order of the Registrar pursuant to Section 38 of the *Society Act* stating that the Society is a "reporting society" as defined under the *Society Act*, the Society shall be deemed not to be a "reporting society".

PART 14 - INDEMNIFICATION

- 14.1 Subject to the provisions of the *Society Act*, each director or officer of the Society shall be indemnified by the Society against expenses reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been an officer or director of the Society, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to have been derelict in the performance of his or her duty as an officer or director. "Derelict" shall mean grossly negligent, criminally negligent or intentionally engaged in tortious conduct with the intent to defraud, deceive, misrepresent or take advantage improperly of an opportunity available to the Society.
- 14.2 Subject to the provisions of the *Society Act*, the Board is authorized from time to time to give indemnities to any director or other person who has undertaken or is about to undertake any liability on behalf of the Society or any Society or corporation controlled by it, and to secure such director or other person against loss by mortgage and charge on the whole or any part of the real and personal property of the Society by way of security, and any action from time to time taken by the directors under this paragraph shall not require approval or confirmation by the members.
- 14.3 The Board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual general meeting or at any extraordinary general meeting of the members called for the purpose of considering the same and any contract, act or transaction that may be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the *Society Act* or these bylaws) shall be as valid and as binding upon the Society and upon all the members as though it had been approved, ratified and confirmed by every member of the Society.

- 14.4 Subject to the provisions of the *Society Act*, no director or officer for the time being of the Society shall be liable for the acts, neglects or defaults of any other director or officer of the Society or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Society through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Society, or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Society shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any funds or property of the Society shall be lodged or deposited, or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless all or any of the same shall happen by or through the wilful act, default or neglect of such director or officer.
- 14.5 The Society shall, to the full extent permitted by the *Society Act*, indemnify and hold harmless, every person heretofore, now or hereafter serving as a director or officer of the Society and his or her heirs and legal representatives.
- 14.6 Expenses incurred with respect to any claim, action, suit or proceeding may be advanced by the Society prior to the final disposition thereof in the discretion of the Board and upon receipt of an undertaking satisfactory in form and amount to the Board by or on behalf of the recipient to repay such amount unless it is ultimately determined that he or she is entitled to indemnification hereunder.
- 14.7 The Society shall apply to the Court for any approval of the Court which may be required to make the indemnities herein effective and enforceable. Each director and officer of the Society on being elected or appointed shall be deemed to have contracted with the Society upon the terms of the foregoing indemnities. Such indemnities shall continue in effect with regard to actions arising out of the term each director or officer held such office notwithstanding that he or she no longer continues to hold such office.
- 14.8 The failure of a director or officer of the Society to comply with the provisions of the *Society Act* or of the constitution or these bylaws shall not invalidate any indemnity to which he or she is entitled under this Part.
- 14.9 The Society may purchase and maintain insurance for the benefit of any or all directors or officers against personal liability incurred by any such person as a director or officer.

PART 15 - BYLAWS

- 15.1 On being admitted to membership, each member is entitled to and upon request, the Society shall provide him or her with a copy of the constitution and bylaws of the Society.
- 15.2 These bylaws shall not be altered or added to except by special resolution.

DATED _____, 2007.

WITNESS(ES)

APPLICANTS FOR INCORPORATION

MURRAY DINWOODIE
14245 – 56 Avenue
Surrey, BC V3X 3A2

VIVIENNE WILKE
14245 – 56 Avenue
Surrey, BC V3X 3A2

CRAIG MacFARLANE
14245 – 56 Avenue
Surrey, BC V3X 3A2

LAURIE CAVEN
14245 – 56 Avenue
Surrey, BC V3X 3A2

PAUL HAM
14245 – 56 Avenue
Surrey, BC V3X 3A2

APPENDIX "B"

**DEED OF TRUST
FOR THE ESTABLISHMENT OF
THE CITY OF SURREY HOMELESSNESS FUND**

This Deed of Trust is dated the _____ day of _____, 2007.

BETWEEN:

CITY OF SURREY, a municipal corporation
having its office at 14245 – 56 Avenue
Surrey, BC V3X 3A2

(the "Donor")

AND:

SURREY HOMELESSNESS AND HOUSING SOCIETY
a British Columbia society having its registered office at
14245 – 56 Avenue
Surrey, BC V3X 3A2

(the "Society")

AND:

VANCITY COMMUNITY FOUNDATION
address

(the "Foundation")

WHEREAS:

- A. The Donor wishes to establish a fund to be known as the City of Surrey Homelessness and Housing Fund (the "Fund") with the Foundation.
- B. The Donor intends that the Society will act as the advisor to the Foundation with respect to the Fund.
- C. The Donor will contribute \$_____ to the Foundation as the initial capital contribution to the Fund (the "Initial Capital Contribution").

The Fund shall be held by the Foundation under the following terms and conditions:

1. Acknowledgment

The Foundation acknowledges receipt from the Donor of the Initial Capital Contribution to the Fund and agrees to hold such sum, together with any additional contributions, upon the terms and conditions set out herein.

2. Purposes of Fund

The Fund shall be held and invested by the Foundation and disbursements shall be made from the Fund to support charitable activities that address issues of homelessness, assisted housing and poverty in the City of Surrey.

3. Disbursements

The Foundation shall disburse or grant for the purposes of the Fund such amount or amounts of the income derived from the Fund and such part or parts of the capital of the Fund as the Foundation shall from time to time determine to any "qualified donee" (as defined in the *Income Tax Act* (Canada)) which, unless the Society otherwise agrees in writing, shall be the Society. Any income not disbursed in any year shall be accumulated and added to the capital of the Fund.

Notwithstanding the generality of the foregoing, any transfer of capital of the Fund to another registered charity pursuant to this paragraph shall be subject to the condition that the transferee shall hold such capital on the same terms and conditions that apply to this Fund.

4. Advisor

The Society may provide direction, advice and recommendations to the Foundation regarding grants and disbursements from the Fund, but, except as expressly provided for below with respect to the termination, the Foundation retains absolute discretion to make decisions regarding all grants and disbursements from the Fund. The Society may, by written notice to the directors of the Foundation designate another organization, a person or persons to serve as an advisor to the Fund.

5. Investment of the Fund

In investing the Fund, the Foundation may in its absolute discretion:

- (a) invest and reinvest the capital and income which from time to time comprises the Fund in such investments as the Foundation shall decide. The Foundation is expressly authorized to invest in community development lending or other investments designed to achieve a social purpose. The Foundation will follow its ethical investment guidelines established from time to time;
- (b) without restricting the generality of the above provisions, and notwithstanding any rule of law or equity to the contrary, the Foundation may invest the Fund as part of its pooled endowment investments;
- (c) the Foundation shall maintain a separate account within the Fund for private donations that are subject to the minimum ten (10) year endowment rule; and
- (d) the Foundation may pay from the capital of the Fund an investment management fee to cover all necessary expenses incurred by the Foundation in

investing, managing and administering the Fund including, without limitation, any fees or charges from services of agents engaged by the Foundation in connection with the investment, management and administration of the Fund. In addition, the Foundation may pay twice annually an administration charge from the capital of the Fund to support the Foundation's administrative services. The Foundation agrees that the administration charge shall not exceed \$65,000 annually. The Foundation may, after approval of the Society, amend the charge rate from time to time.

6. Additional Capital Contributions

The Foundation may accept additional contributions to the Fund from any person, corporation, society or foundation and upon request shall issue appropriate income tax donation receipts in respect thereof.

7. Foundation Contribution

The Foundation agrees to make grants from existing Foundation resources of \$25,000 per annum for three (3) years to support charitable projects that address homelessness and poverty in Surrey, and to consult with the Society prior to making these grant decisions.

8. Reporting

The Foundation shall provide the Society with monthly written reports and financial statements on the capital, any additional capital contributions, income, grants and disbursements from the Fund, the administration charges against the Fund and such other matters as the Society requests.

9. Termination of the Fund

- (a) In the event that the Foundation determines that it is no longer appropriate for the Foundation to hold and invest the Fund, the Foundation may, after consultation with the Society, if reasonably possible, transfer the capital and any undistributed income of the Fund to any "qualified donee" (as defined in the *Income Tax Act (Canada)*) which, unless the Society otherwise agrees in writing, shall be the Society. In the event of the winding up or liquidation of the Foundation, the capital and any undistributed income of the Fund will be transferred to any qualified donee which, unless the Society otherwise agrees in writing, shall be the Society.
- (b) In the event that the Society, in its sole discretion, wishes the Foundation to transfer the capital, including all additional capital contributions made in accordance with paragraph 6 of this Deed of Trust and any undistributed income of the Fund to the Society or to another "qualified donee" (as defined in the *Income Tax Act (Canada)*), the Foundation shall complete the transfer within 180 days written notice to the Foundation that the Society wishes to terminate this Deed of Trust.

Provided however that any transfer of capital of the Fund to another registered charity pursuant to this paragraph shall be subject to the condition that the transferee shall hold such capital on the same terms and conditions that apply to this Fund.

10. Amendment

This Deed of Trust may be amended at any time by agreement in writing between the Donor, the Society and the Foundation.

12. Miscellaneous

The Foundation shall, in a manner not inconsistent with generally accepted accounting principles, acknowledge and identify the Fund as a separate asset of the Foundation.

SIGNED AND WITNESSED on behalf
of the **CITY OF SURREY**
in the presence of:

Witness signature

On behalf of the City of Surrey

Witness name

Witness address

Witness occupation

SIGNED AND WITNESSED on behalf
of **SURREY HOMELESSNESS AND
HOUSING SOCIETY**
in the presence of:

Witness signature

On behalf of the Surrey
Homelessness and Housing Society

Witness name

Witness address

Witness occupation

SIGNED AND WITNESSED by Ian Mass
on behalf of the **VANCITY COMMUNITY
FOUNDATION** in the presence of:

Witness signature

Witness name

Witness address

Witness occupation

On behalf of the VanCity
Community Foundation

APPENDIX "C"

CITY OF SURREY

2006

TERMS OF REFERENCE

CITY OF SURREY HOMELESSNESS FUND INTERIM ADVISORY COMMITTEE

1. **Purpose**

The purpose of the City of Surrey Homelessness Fund Interim Advisory Committee is to oversee the establishment of the City of Surrey Homelessness Fund.

2. **Responsibilities**

The Interim Advisory Committee is responsible for the following tasks:

- to guide the preparation of a Request for Proposal in support of establishing a City of Surrey Homelessness Fund;
- to evaluate all proposals and to make recommendations to Council;
- to examine different governance structures for the ongoing management of the Fund and to recommend an appropriate governance structure, along with conflict of interest guidelines, to Council;
- to examine and recommend to Council, the specific allocation of all monies contained within the City of Surrey Homelessness Fund (endowment – flow-through funds);
- to make appropriate recommendations to Council regarding the use and allocation of the funds;
- to examine different funding mechanisms to build the endowment and to recommend an appropriate mechanism to Council;
- to provide continuity and succession until a permanent governance structure is in place; and
- to recommend to Council, any other organizational models that would better implement the intent of the recommendations of the Mayor's Task Force on Homelessness and Housing.

3. **Membership**

The Interim Advisory Committee shall consist of the following voting members, including:

- Six to eight members from the community at large, representing a combination of business/labour leaders, the community service sector and the faith communities
- Two members of City Council
- The City Manager, City Solicitor, General Manager Finance, and General Manager Planning and Development

Additional staff support and consultant expertise will be provided by the City as required.

All members shall be appointed for the period of time required to oversee the establishment a permanent structure for the implementation of the City of Surrey Homelessness Fund. Following the completion of the work as set out in these Terms of Reference the Committee will be dissolved.

Members of the Interim Advisory Committee will be appointed on the basis of availability, experience and expertise they can bring to the Committee and not as representatives of particular agencies, organizations or interest groups. Any person affiliated with a Foundation that intends to submit a proposal to manage the Fund is not eligible for membership on the Interim Advisory Committee.

Membership on this Interim Advisory Committee will not exclude an individual from serving on a permanent Board with regard to a Surrey Homelessness Fund.

4. **Procedures**

- The Chairperson shall be elected from the Interim Advisory Committee membership at the first meeting and shall preside at all meetings where possible. In his/her absence, an acting chairperson shall be appointed for that meeting by those members present. The chairperson shall be entitled to vote at all meetings.
- At all meetings a majority of the members shall constitute a quorum. Recommendations of a quorum shall be considered those of the full Committee. The Interim Advisory Committee will provide Council with its recommendations on matters outlined in this Terms of Reference.
- The Interim Advisory Committee may invite other persons to participate in making presentations to the Committee in order to benefit from additional expertise pertaining to subjects being discussed.

5. Meetings

- Meetings shall be held at the call of the Chairperson. The Interim Advisory Committee will meet at least monthly. The meetings shall be held at City Hall.
- Minutes of the Interim Advisory Committee shall be recorded by the Clerk's Department for information of Council.