



Islands Trust

REPORT

STAFF

File No.: DE-RZ-2024.1 (Triple Rock Land Cooperative)

DATE OF MEETING: October 21, 2025

TO: Denman Island Local Trust Committee

FROM: Marlis McCargar, Island Planner
Northern Team

SUBJECT: Application to amend the LUB to allow for additional density
Applicant: Laura Busheikin on behalf of Triple Rock Land Cooperative
Location: 5201 Denman Road, Denman Island
PID 028-101-677

RECOMMENDATION

1. That Denman Island Local Trust Committee Bylaw No. 254 cited as “Denman Island Housing Agreement Bylaw No. 254, 2025” be read a second time, as amended.

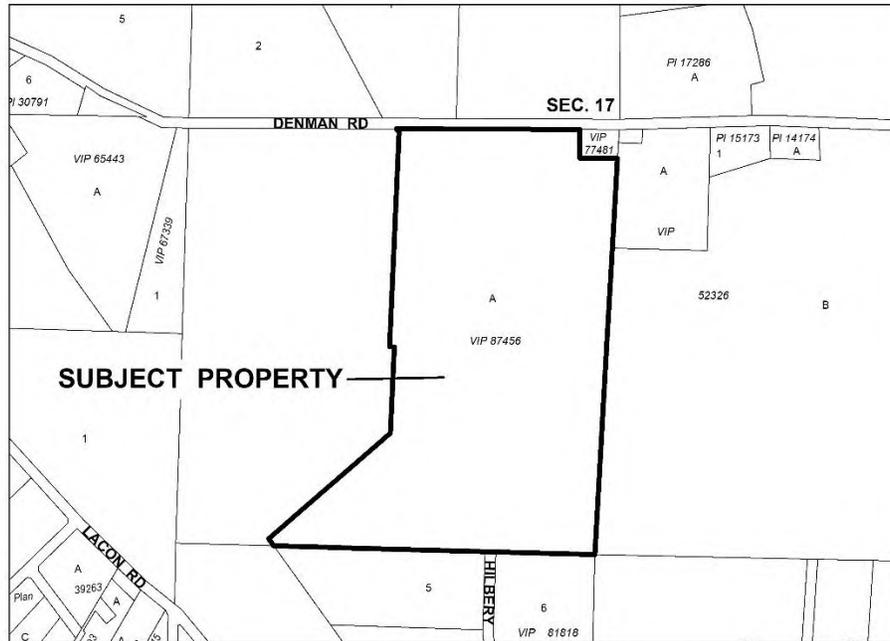
REPORT SUMMARY

This report summarizes referral responses for application DE-RZ-2024.1. Staff recommend that amendments to Bylaw No. 254 (Housing Agreement) be considered as summarized in this report. All relevant background information is posted to the Islands Trust [current applications webpage](#).

BACKGROUND

On May 20, 2025, the Denman Island Local Trust Committee (LTC) gave first and second readings to Proposed Bylaw Nos. 255 (OCP) and 254 (Housing Agreement), and second reading to Proposed Bylaw No. 250 (LUB). Bylaw Nos. 254 and 255 were subsequently forwarded to agencies and First Nations for comment. Proposed Bylaw No. 250 had previously been forwarded to agencies and First Nations in October 2024.

The LTC is considering a rezoning application (DE-RZ-2024.1) from Triple Rock Land Cooperative to permit 19 dwelling units and associated secondary suites. As part of the application, a Housing Agreement is required to secure provisions for long-term affordability and occupancy.



Subject Property Map

The Denman Island LTC passed the following resolution at the May 20, 2025 regular business meeting to initiate this work:

DE-2025-028

that the Denman Island Local Trust Committee request staff to schedule a community information meeting prior to the Public Hearing for application DE-RZ-2024.1 (Triple Rock Land Cooperative) and Proposed Bylaw Nos. 250, 254 and 255.

CARRIED

Staff are proposing an electronic Community Information Meeting and Public Hearing be scheduled in November/early December based on LTC and staff availability.

DE-2025-029

that the Denman Island Local Trust Committee request staff to refer proposed Bylaw No. 255 cited as “Denman Island Official Community Plan, 2008, Amendment No. 2, 2025” to the following First Nations, Local Governments and agencies for comment as presented in the May 20, 2025 staff report.

CARRIED

The Denman Island LTC gave first and second readings to Proposed Bylaw No. 255 (OCP) and forwarded the bylaw to agencies and First Nations for comment. A summary of referral responses received to-date are included in this report.

DE-2025-030

that Denman Island Local Trust Committee request staff to amend draft Bylaw No. 254 cited as “Denman Island Housing Agreement Bylaw No. 254, 2025” by removing schedules A and B.

CARRIED

Staff have removed the schedules as requested (Attachment 3).

Staff analysis and a recommendation are outlined in the following section of this report.

ANALYSIS

Issues and Opportunities

Staff have identified the following, discussed in more detail below:

- Summary of Referral Responses for Proposed Bylaw Nos. 255 (OCP) and 250 (LUB)
- Recommended amendments to Bylaw No. 254 (Housing Agreement) (Attachment 3)
- Public Hearing options

Summary of Referral Responses

A Community Information Meeting (CIM) has not yet been held. Public input on the proposed bylaws will be accepted until the close of the Public Hearing (date to be determined).

Initially, it was anticipated that an OCP amendment would not be required for this application, as the LTC was advancing a separate project (Proposed Bylaw Nos. 248 and 249) aimed at eliminating the density bank from the OCP altogether. However, that project did not proceed, and the bylaws were not adopted. As a result, the current rezoning application now requires an OCP amendment to withdraw densities from the density bank. This has contributed to an irregular process, with the Land Use Bylaw (LUB) amendment already having received first reading and referral responses, while the OCP amendment was introduced at a later stage. Consequently, the bylaws were sent for referrals at different times.

The LTC already received referral responses for the LUB amendment in May 2025. This report reviews the referral responses for both the LUB and OCP amendments.

A summary of the referral responses that have been received are provided in Table 1:

Table 1. Summary of Referral Responses

First Nation/ Agency / Group	Summary Response to Bylaw No. 255 (OCP) Referral	Summary Response to Bylaw No. 250 (LUB) Referral Provided in May 2025	Staff Comments
Hornby Island Local Trust Committee	HO LTC passed the following resolution at their July 4 regular meeting: HO-2025-028 It was MOVED and SECONDED <i>that the Hornby Island Local Trust Committee defer comment on Denman Island Bylaw No. 255 until K'omoks First Nation has responded to any concerns.</i> <u>CARRIED</u>	Interests Unaffected by Bylaw	The HO LTC has deferred comment on Bylaw No. 255 pending a response from KFN regarding any concerns. Staff will continue to monitor interagency referrals and First Nation correspondence, and will provide updates to the LTC as new

			information becomes available.
Ministry of Agriculture and Food	<p>Interests are unaffected noting that Bylaw No. 255 is merely an OCP amendment that is now required in conjunction with Bylaw No. 250 to which the Ministry previously provided comments on November 20, 2024.</p> <p>With regards to Bylaw No. 250, Ministry staff are pleased to note that four new dwellings will be located within the existing CoHo Landing cluster.</p>	<p>Ministry staff are pleased that no dwellings or development are proposed for the ALR-designated northern portion of the property.</p> <p>Ministry staff recommend placing the four new dwellings within the existing CoHo Landing cluster to maintain a suitable buffer from the ALR, as their exact locations haven't been provided and one existing structure appears to be very close to the ALR boundary.</p> <p>The added dwellings and increased residential density on the property are unlikely to negatively affect future farming potential on the site or nearby ALR lands.</p>	The four new dwellings will be within the existing CoHo Landing cluster.
Ministry of Housing and Municipal Affairs	<ul style="list-style-type: none"> Staff have reviewed the submission and do not have any comments on the contents of the bylaw. 	Deferred to Agricultural Land Commission and Ministry of Housing comments	None.
Vancouver Island Health Authority	<ul style="list-style-type: none"> No response 	Each home currently uses its own rainwater system for drinking water, which will continue with the new units and suites. However, if a shared system is introduced, it may trigger requirements under the Drinking Water Protection Act and Regulation, including permits, testing, treatment, and reporting.	None.

		<p>The Sewerage System Regulation applies to all onsite systems, and given the property's size and composting toilet requirements, there appears to be sufficient space for new or amended septic systems and replacement fields. Existing systems must comply with regulations, and an Authorized Person should assess and update them as needed to accommodate secondary suites.</p>	
<p>Agricultural Land Commission</p>	<ul style="list-style-type: none"> • ALC staff reiterate that R3 zoning is not appropriate for lands within ALR due to its inconsistency with the ALC Act and potential to create unrealistic expectations for residential development. • The draft Housing Agreement currently includes ALR land, which is problematic: <ul style="list-style-type: none"> ○ It allows density beyond what's permitted in the ALR. ○ It prohibits buildings/structures other than those defined, which may unintentionally restrict farm use. ○ It should apply only to non-ALR lands to avoid confusion and must not prohibit permitted farm structures unless authorized by the Commission. 	<p>Since the R3 zone applies only to the non-ALR portion of the property, ALC staff have no comments.</p> <p>ALC recommends using setback and buffer guidelines from the <i>Guide to Edge Planning</i> for any development near ALR boundaries to prevent future land-use conflicts.</p>	<p>Staff note that the subject property is already split-zoned, with the portion located within the ALR zoned A(5), which explicitly prohibits residential use. No change to the zoning within the ALR is being proposed; it will remain zoned A(5).</p> <p>The proposed Housing Agreement does not override or enable residential development within the ALR. However, to provide clarity and avoid potential misinterpretation, staff have recommended amendments to the Housing Agreement to explicitly exclude the ALR-designated portion of the property.</p>

	<ul style="list-style-type: none"> ALC recommends applying edge planning tools to minimize conflict between urban and agricultural uses, including appropriate setbacks and buffers adjacent to ALR lands. 		
Cowichan Tribes	<ul style="list-style-type: none"> No response. 	No comment. Defer to communities closer to Denman Island.	None.
Ts'uubaa-asatx Nation	<ul style="list-style-type: none"> Defer to the First Nation(s) whose traditional territory fronts this area. 	<p>Outside Ts'uubaa-asatx Nation's core title area.</p> <p>Defer to the First Nation(s) whose traditional territory fronts this area, likely K'omoks First Nation.</p>	None.
Tla'amin Nation	<ul style="list-style-type: none"> Outside of Tla'amin Nation's core territory. 	Outside of Tla'amin Nation's core territory.	None.
K'omoks First Nation	<ul style="list-style-type: none"> No response has been received to the OCP referral sent in June 2025. Follow-up efforts have not resulted in an estimated timeframe for a response. 	<p>Outside KFN designated areas of high archaeological potential (AOP) and does not require any Cultural Heritage Investigation Permits (CHIP).</p> <p>Likely no concerns over the request.</p> <p>However, are at capacity for environmental referrals and cannot meaningfully engage at this time.</p>	None.
Homalco First Nation	<ul style="list-style-type: none"> No response. 	No concerns at this time.	None.
Snuneymuxw First Nation	<ul style="list-style-type: none"> Defers comment on the referral. 		None.
Nanwakolas Council	<ul style="list-style-type: none"> Please contact the nations directly regarding this referral as we only deal with Provincial Crown Land referrals. 		None.

Mamalilikulla First Nation	<ul style="list-style-type: none"> Denman Island is not located within the territory of the Mamalilikulla First Nation. No further information sharing or consultation is needed. 		None.
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Recommended Amendments to Proposed Bylaw No. 254 (Housing Agreement)

While a Housing Agreement cannot authorize development that is not otherwise permitted by zoning, staff have prepared a revised version of the agreement that includes suggested wording changes to reinforce this point, should it provide additional clarity or comfort to the ALC.

Specifically, staff propose a revision to Recital C to emphasize that the agreement does not confer development rights beyond what is permitted in the zoning. In addition, staff suggest a revision to Clause 2(a), which currently prohibits any other development on the entire parcel, including within the ALR-designated portion. As written, this clause could unintentionally restrict farming activities or the construction of permitted farm buildings.

Staff note that the subject property is already split-zoned, with the ALR portion zoned A(5), which explicitly prohibits residential use. Therefore, the Housing Agreement does not override or alter zoning provisions within the ALR.

Public Hearing

At its May 2025 meeting, the LTC provided direction to staff to schedule a Public Hearing as part of the bylaw amendment process. Now that the referral period has concluded, staff are seeking further direction on the format and logistics of public engagement leading up to the hearing.

Specifically, staff are requesting LTC input on the following:

1. Combined Community Information Meeting (CIM) and Public Hearing

Does the LTC prefer to hold a combined CIM and Public Hearing, or would it prefer a standalone CIM held in advance? A combined session may streamline the process and reduce scheduling demands, while a standalone CIM may allow for more in-depth public education and discussion prior to the formal hearing.

2. Electronic Format

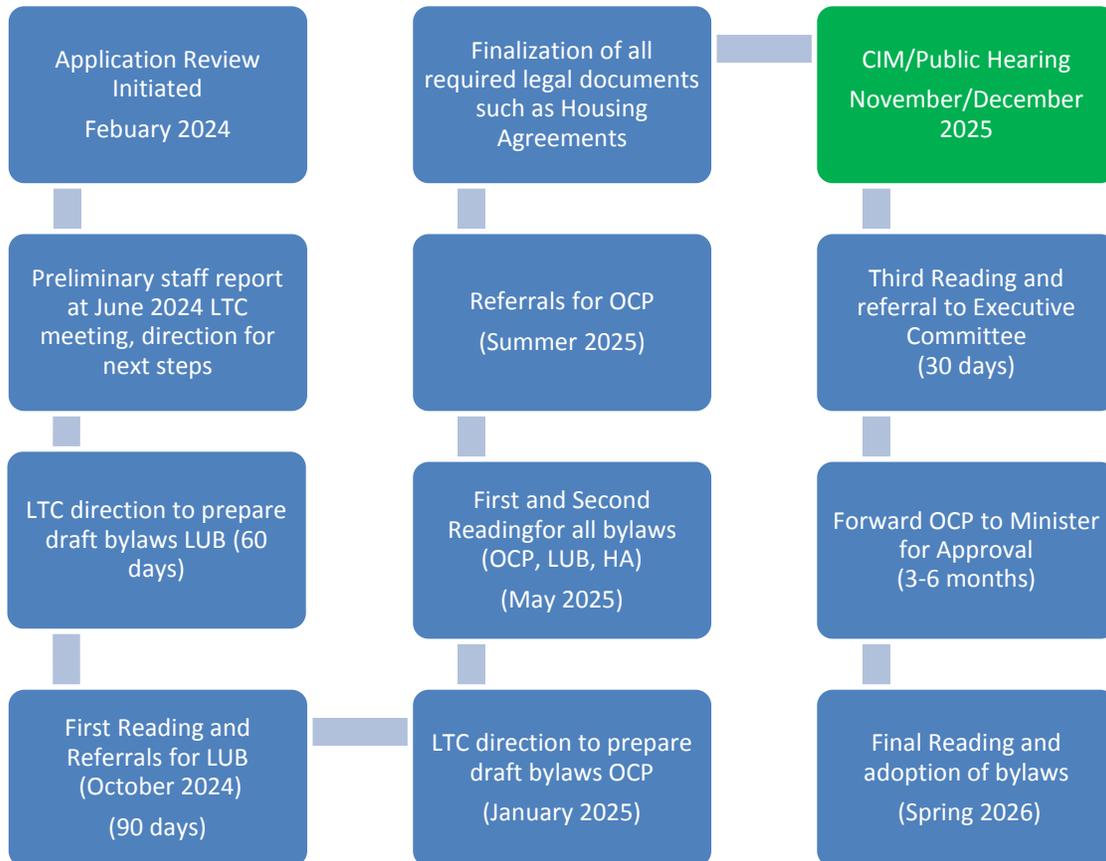
Would the LTC consider holding the Public Hearing and CIM electronically? This option may improve accessibility for participants and provide flexibility to hold sessions outside regular working hours.

3. Preferred Timing

Staff also request LTC direction on preferred timing for the Public Hearing and/or CIM, whether it should be held during the day or evening hours, taking into account anticipated public interest and accessibility. Or whether the LTC would prefer to have the CIM/public hearing scheduled as part of their regular business meeting on December 16, 2025.

Application Process Steps and Timing

The following process steps and approximate timelines may assist in managing applicant and community expectations in how an OCP/LUB amendment application such as this, can be processed:



ALTERNATIVES:

1. Direction to amend the proposed bylaws

The LTC may wish to make amendments to the proposed bylaws. Recommended wording for the resolution is as follows:

That the Denman Island Local Trust Committee amend Proposed Bylaw No. 250, cited as the “Denman Island Land Use Bylaw, 2008, Amendment No. 2, 2024” by...

That the Denman Island Local Trust Committee amend draft Bylaw No. 254, cited as the “Denman Island Housing Agreement Bylaw No. 254, 2025” by...

That the Denman Island Local Trust Committee amend draft Bylaw No. 255, cited as the “Denman Island Official Community Plan Bylaw, 2008, Amendment No. 2, 2025” by...

2. Proceed no further.

The LTC can choose this alternative at any stage in a bylaw amendment application. If this alternative is selected the following resolution is recommended:

“That the Denman Island Local Trust Committee proceed no further with application DE-RZ-2024.1 (Triple Rock Land Cooperative) for the following reasons (insert rationale).”

Next Steps

Should the LTC concur with the staff recommendations, staff will update Proposed Bylaw No. 254 and schedule the CIM and public hearing based on LTC feedback.

Submitted By:	Marlis McCargar, Island Planner	October 2, 2025
Concurrence:	Renée Jamurat, RPP MCIP, Regional Planning Manager	October 2, 2025

ATTACHMENTS

1. Proposed Bylaw No. 255 (OCP) – for reference
2. Proposed Bylaw No. 250 (LUB) – for reference
3. Draft Bylaw No. 254 (Housing Agreement) – for second reading, as amended

PROPOSED

DENMAN ISLAND LOCAL TRUST COMMITTEE BYLAW NO. 255

A BYLAW TO AMEND DENMAN ISLAND OFFICIAL COMMUNITY PLAN BYLAW NO. 185, 2008

The Denman Island Local Trust Committee, being the Trust Committee having jurisdiction in respect of the Denman Island Local Trust Area under the *Islands Trust Act*, enacts as follows:

1. CITATION

This Bylaw may be cited for all purposes as “Denman Island Official Community Plan, 2008, Amendment No. 2, 2025”.

2. SCHEDULES

Denman Island Official Community Plan Bylaw No. 185, 2008 is amended as shown on Schedule 1, attached to and forming part of this bylaw.

3. SEVERABILITY

If any provision of this Bylaw is for any reason held to be invalid by a decision of any Court of competent jurisdiction, the invalid provision must be severed from the Bylaw and the decision that such provision is invalid must not affect the validity of the remaining provisions of the Bylaw.

READ A FIRST TIME THIS	20	DAY OF	MAY	, 2025
PUBLIC HEARING HELD THIS	20	DAY OF	MAY	, 2025
READ A SECOND TIME THIS	_____	DAY OF	_____	, 20__
READ A THIRD TIME THIS	_____	DAY OF	_____	, 20__
APPROVED BY THE EXECUTIVE COMMITTEE OF THE ISLANDS TRUST THIS	_____	DAY OF	_____	, 20__
APPROVED BY THE MINISTER OF MUNICIPAL AFFAIRS THIS	_____	DAY OF	_____	, 20__
ADOPTED THIS	_____	DAY OF	_____	, 20__

CHAIR

SECRETARY

**DENMAN ISLAND LOCAL TRUST COMMITTEE
BYLAW NO. 255**

SCHEDULE 1

Appendix “D” of the Denman Island Official Community Plan No. 185, 2008, is amended as follows:

1. That the Residential Density Bank table of Appendix D, “Density Banking” be amended by the addition of a new entry, in sequential order, which reads as follows:
- 2.

Authorising Bylaw	Date Added to or transferred from the Bank	Legal Description	Number of residential dwelling units added or deleted	Cumulative total of residential dwelling units in the bank
255	[date of adoption]	Lot A, Section 17 Denman Island, Nanaimo District, Plan VIP87456	-4	7 – 4 = 3 (*as per standing resolution #2023-073) (* Final cumulative totals will be reconciled upon adoption of all relevant bylaws.)

PROPOSED

DENMAN ISLAND LOCAL TRUST COMMITTEE BYLAW NO. 250

A BYLAW TO AMEND DENMAN ISLAND LAND USE BYLAW, 2008

The Denman Island Local Trust Committee, being the Trust Committee having jurisdiction in respect of the Denman Island Local Trust Area under the *Islands Trust Act*, enacts as follows:

1. Citation

This bylaw may be cited for all purposes as “Denman Island Land Use Bylaw, 2008, Amendment No. 2, 2024”.

2. Denman Island Local Trust Committee Bylaw No. 186, cited as “Denman Island Land Use Bylaw, 2008,” is amended as per Schedule 1 attached to and forming part of this bylaw.

READ A FIRST TIME THIS 8TH DAY OF OCTOBER , 2024

READ A SECOND TIME THIS 20TH DAY OF MAY , 2025

PUBLIC HEARING HELD THIS _____ DAY OF _____ , 202X

READ A THIRD TIME THIS _____ DAY OF _____ , 202X

APPROVED BY THE EXECUTIVE COMMITTEE OF THE ISLANDS TRUST THIS

_____ DAY OF _____ , 202X

ADOPTED THIS _____ DAY OF _____ , 202X

Chair

Secretary

**DENMAN ISLAND LOCAL TRUST COMMITTEE
BYLAW NO. 250**

Schedule 1

1. Schedule “A” of Denman Island Land Use Bylaw, 2008, is amended as follows:
 - 1.1 Part 2 – GENERAL REGULATIONS, Section 2.1 – Uses, Buildings and Structures, Subsection 4 is amended by deleting the paragraph in its entirety, and renumber accordingly.
 - 1.2 Part 2 – GENERAL REGULATIONS, Section 2.1 – Uses, Buildings and Structures, Subsection 5 is amended by deleting “A secondary suite is permitted within a dwelling unit provided that:” and replacing it with “Where regulations in Part 3 permit a secondary suite within a dwelling unit, a secondary suite is permitted provided that:”
 - 1.3 Part 3 – ZONE REGULATIONS, Section 3.3 Residential Zoning Tables – Table 1 – Permitted Uses is amended by deleting “and secondary dwelling units” and the note “Secondary dwelling units must be approved through a Temporary Use Permit” in line item 10 and in the R3 column, adding a check mark.
 - 1.4 Part 3 – ZONE REGULATIONS, Section 3.3 Residential Zoning Tables – Table 1 – Permitted Uses is amended by adding “secondary dwelling units” and the note “Secondary dwelling units must be approved through a Temporary Use Permit” as a line item following number 10 and in the R2 column adding a check mark, and renumber accordingly.
 - 1.5 Part 3 – ZONE REGULATIONS, Section 3.3 Residential Zoning Tables – Table 3 – Density of Uses, Buildings and Structures, line item 3 and in the R3 column, is amended by replacing the number “15” with the number “19”.
 - 1.6 Part 3 – ZONE REGULATIONS, Section 3.3 Residential Zoning Tables – Table 6 – Floor Area is amended by adding an additional line item after number 3 that states “Maximum gross floor area of a building with a single family dwelling unit and a secondary suite” and adding “186 m²” in the R3 column, and renumber accordingly.
 - 1.7 Part 3 – ZONE REGULATIONS, Section 3.3 Residential Zoning Tables – Table 6 – Floor Area is amended by deleting “1275 m²” in line item 6 and in the R3 column, and replacing it with “2174 m²”.

Housing Agreement

THIS AGREEMENT DATED FOR REFERENCE THE ____ DAY OF ____, 20__ is BETWEEN:

TRIPLE ROCK LAND COOPERATIVE, a cooperative incorporated under the laws of the province of British Columbia and having its office at 5201 Denman Rd, Denman Island, B.C., V0R 1T0.

(the “Owner”);

AND:

DENMAN ISLAND LOCAL TRUST COMMITTEE, a corporation under the *Islands Trust Act*, having an office at 2 Floor, 1627 Fort Street, Victoria, B.C., V8R 1H8

(the “Trust Committee”)

WHEREAS:

- A. The Owner is the registered owner of those Lands situated on Denman Island and legally described as PID: 028-101-677, Lot A Section 17 Denman Island Nanaimo District Plan VIP87456 (the “Lands”);
- B. The Owner is an association constituted under the Cooperative Association Act, SBC 1999, c. 28 and has as its sole object the creation of a co-operatively owned and managed affordable housing community on Denman Island;
- C. The Owner applied to the Denman Island Local Trust Committee for a rezoning of the Lands by means of Denman Island Land Use Bylaw, _____ to permit the development of 19 co-operative housing units with secondary suites, accessory buildings, and a common house on the [area of the Lands that is zoned R3 pursuant to the Denman Island Land Use Bylaw \(the “R3 Land”\) and, for certainty, this Agreement does not contemplate or authorize residential development on any other part of the Lands;](#)
- D. The Trust Committee may, pursuant to Section 29 of the Islands Trust Act and Section 483 of the Local Government Act, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure and availability to specified classes of persons of dwelling units located on those lands;
- E. Section 219 of the Land Title Act permits the registration of a covenant of a negative or positive nature in favour of the Trust Committee in respect of the use of land or construction on land;
- F. The Owner and the Trust Committee wish to enter into this Agreement to ensure Cooperative Housing Units remain affordable according to the terms and conditions set out in this Agreement to have effect as both a covenant under section 219 of the Land Title Act and a housing agreement under section 483 of the Local Government Act; and
- G. The Trust Committee has, by bylaw, authorized the execution of this Agreement and the Owner

has duly authorized the execution of this Agreement.

THIS AGREEMENT is evidence that in consideration of \$1.00 paid by the Trust Committee to the Owner, the receipt of which is acknowledged by the Owner, and in consideration of the promises exchanged below, the Trust Committee and the Owner agree, as a housing agreement between the Owner and the Trust Committee under section 483 of the Local Government Act, and as a covenant under section 219 of the Land Title Act, as follows:

a. Definitions – in this Agreement:

- (1) “Co-operative Housing Unit” means a Primary Housing Unit and may include a Secondary Suite;
- (2) “Co-operative member” means a member of the Triple Rock Land Cooperative or another cooperative approved by the Denman Island Local Trust Committee;
- (3) “Co-operative Rules and policies” means the rules and policies of the Triple Rock Land Cooperative or another cooperative approved by the Denman Island Local Trust Committee;
- (4) “CPI” means the all-items consumer price index for Victoria, British Columbia published by Statistics Canada;
- (5) “Dwelling Unit” means one or more rooms in a building, containing a single set of cooking facilities, and used or intended to be used, as a residence by an individual or a group of individuals living together in common occupancy;
- (6) “Family Member” means a person who lives with and is related to the Co-operative member by blood, adoption, marriage (including a marriage-like relationship). It also includes a chosen family member, an individual with whom the member shares a close, long-standing, family-like relationship, regardless of legal or biological ties;
- (7) “Primary Housing Unit” means a single detached Dwelling Unit occupied as a residence by at least one Co-operative member; and
- (8) “Secondary Suite” means a Dwelling Unit located within the same building as, and having a lesser floor area than, a Primary Housing Unit.

b. Agreement over the Lands:

1. Pursuant to section 219 of the *Land Title Act* and Section 483 of the *Local Government Act*, the Owner covenants and agrees that:
 - a. The Lands must at all times be used and occupied in compliance with all statutes, laws, regulations, orders of any authority having jurisdiction, and this Agreement; and
 - b. If a building is demolished or is otherwise replaced, this Agreement shall continue to apply to the Lands and the construction on the Lands shall be subject to the requirements of this Agreement.
2. The Owner covenants and agrees with the Trust Committee that, in perpetuity:

- a. the **R3 Lands** must not be used, and no building or structure may be constructed on the Lands, other than for 19 Co-operative Housing Units, a common house, and non-residential accessory buildings and structures as defined in this Agreement and the Denman Island Land Use Bylaw, and any home-based business permitted by the Denman Island Land Use Bylaw;
 - b. the Lands must not be used and no building or structure may be constructed on the Lands except in accordance with any Siting and Use Permit issued by the Denman Islands Local Trust Committee; and
 - c. **The Lands shall not be subdivided by subdivision plan, strata plan or otherwise howsoever.**
- c. Dissolution of the Co-operative** - If on the winding up or dissolution of the Owner, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property must not be paid to or distributed among the Co-operative members; and must be given or transferred to an institution:
- a. that has as its object the co-operative ownership and management of affordable housing on Denman Island; and
 - b. that has been chosen by the Co-operative members and approved by the Trust Committee at or before the time of dissolution.
- d. Occupancy of Primary Housing Units**
1. No Primary Housing Unit shall be occupied by any person who is not a Co-operative member, a family member of such a member, the guest of such a member, a tenant or roommate of a Co-operative member approved by the Owner pursuant to the Co-operative Rules and policies, a caregiver of the Co-operative member, or a person whose membership in the Owner is under consideration by the Owner pursuant to the Co-operative Rules and policies.
 2. Every Primary Housing Unit shall have a Co-operative member as its primary occupant, except when a Co-operative member is on a temporary leave-of-absence as permitted by the Co-operative Rules and policies.
 3. Co-operative members shall have the Primary Housing Unit as their principal residence.
 4. Primary Housing Units may not be used for any form of vacation rental, including short-term vacation rentals.
- e. Pricing of Co-operative membership shares and Housing Units**
1. The purchase price of a membership share in the Owner may not exceed the acquisition price of the share, plus the lesser of: any increase in the annual average CPI from the year in which the share was acquired to the year in which it is transferred, and 2% annually.
 2. The purchase price of a Co-operative Housing Unit upon any sale of the Co-operative Housing Unit in connection with a transfer of shares in the Owner may not exceed the depreciated replacement cost of the Co-operative Housing Unit, as determined by a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative

member and furthermore may be limited to a maximum value (a cap) as determined by policies set by the Owner.

f. Occupancy and Affordability of Secondary Suites

1. Occupancy of Secondary Suites is limited to caregivers and family members of the Co-operative member who is the main occupant of the Primary Housing Unit to which the Suite is attached, Co-operative members, people applying for Co-operative membership, and people volunteering for or otherwise actively involved with and committed to the Co-operative. Occupants of Secondary Suites must be approved by the Owner.
2. The amount of rent charged for Secondary Suites must be at least 20% less than the average comparable market rent charged for a similar unit or rental arrangement on Denman Island, or, in the absence of Denman Island data, in the Comox Valley in which case any comparables should be adjusted to reflect the likely discount or increase for Denman as compared to the Comox Valley.
3. Secondary Suites may not be used for any form of vacation rental, including short-term vacation rentals.

g. Monitoring and Reporting to the Local Trust Committee - The Owner must deliver to the Trust Committee within six weeks of the transfer of any shares in the Owner and the closing of any sale of a Co-operative Housing Unit a completed statutory declaration, substantially in the form attached as Schedule A, sworn by a director of the Owner and the Co-operative member transferring shares and attaching a copy of the share transfer agreement, the agreement of purchase and sale for the Co-operative Housing Unit, and the certification of a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative member, as to the depreciated replacement cost of the Co-operative Housing Unit, assessed no more than 15 months prior to the date of the purchase and sale of the Co-operative Housing Unit.

h. Order to Comply - If the Owner is in default of the performance or observation of this Agreement, the Trust Committee may give the Owner a notice of default requiring the Owner to comply with the Agreement within the time stated in the notice. The Owner agrees that any breach or default in the performance of this Agreement on its part must be corrected, to the satisfaction of the Trust Committee, within the time stated in any Notice of Default provided to the Owner by the Trust Committee.

i. Management – The Owner covenants and agrees to furnish good and efficient management of the Lands and shared infrastructure on the Lands. If and when the Trust Committee has reasonable grounds to believe that a continuing breach of this Agreement exists, the Trust Committee may authorize its representatives to inspect the Lands at any reasonable time with reasonable notice to the Owner, subject to the notice provisions of the *Residential Tenancy Act*.

j. No Transfer - The Owner must not transfer the Lands, other than to an association constituted under the *Cooperative Association Act* or other non-profit association incorporated under the *Societies Act*, having as its object the co-operative ownership and management of affordable housing on Denman Island.

k. Cooperative Standing – The Owner must maintain its standing as a co-operative under the

Cooperative Act or as a society under the *Societies Act*, as applicable, to ensure the ongoing occupancy and affordability objectives set out in this Agreement, and must not amend its memorandum of association, co-operative rules of association, constitution, or bylaws, as applicable, in any manner that would prevent, or adversely affect, the ability of the Owner to perform its obligations under this Agreement.

- l. Specific Performance of Agreement** - The Owner agrees that the Trust Committee is entitled to obtain an order for specific performance of this Agreement and a prohibitory or mandatory injunction in respect of any breach by the Owner of this Agreement, in view of the public interest in restricting the occupancy of the Co-operative Housing Units. The Owner further acknowledges that a breach of this Agreement may constitute a breach of the Denman Island Land Use Bylaw, as amended from time to time.
- m. Assignment** - The Owner acknowledges that the Trust Committee may delegate or assign the administration and management of this Agreement to a third party, and in that event, any reference in this Agreement to the Trust Committee shall be interpreted as a reference to that party provided that the Trust Committee has so advised the Owner.
- n. Indemnity** - The Owner shall indemnify and save harmless the Trust Committee and each of its elected officials, officers, directors, employees, and agents from and against all claims, demands, actions, loss, damage, costs, and liabilities for which any of them may be liable by reason of any act or omission of the Owner or its officers, directors, employees, agents or contractors or any other person for whom the Owner is at law responsible, including breaches of this Agreement.

This clause will survive the termination of this Agreement.

- o. Release** - The Owner releases and forever discharges the Trust Committee and each of its elected officials, officers, directors, employees, and agents and each of their heirs, executors, administrators, personal representatives, successors and assigns from all claims, demands, damages, actions, or causes of action arising out of the performance by the Owner of its obligations under this Agreement, or the enforcement of this Agreement.

This clause will survive the termination of this Agreement.

- p. Trust Committee Powers Unaffected** - This Agreement does not limit the discretion, rights, duties or powers of the Trust Committee under any enactment or the common law, impose on the Trust Committee any duty or obligation, affect or limit any enactment relating to the use or subdivision of the Lands, or relieve the Owner from complying with any enactment.
- q. No Public Law Duty** - Wherever in this Agreement an act, determination, consent, approval or agreement of the Trust Committee is provided for, such act, determination, consent, approval or agreement may be done or made in accordance with the terms of this Agreement and no public law duty, whether arising from the principles of procedural fairness or the rules of natural justice shall have any application.
- r. No Waiver** - No condoning, excusing or overlooking by the Trust Committee of any default under this Agreement, nor any consent, approval, or agreement whether written or otherwise shall be taken to operate as a waiver by the Trust Committee of any subsequent default or of

the necessity for further consent, approval or agreement in respect of a subsequent matter requiring it under this Agreement, or in any way to defeat or affect the rights or remedies of the Trust Committee.

- s. **Notice on Title** - The Owner acknowledges and agrees that this Agreement constitutes both a covenant under Section 219 of the *Land Title Act* and a housing agreement under Section 483 of the *Local Government Act* and agrees that the Owner will register a notice of this Agreement against title to the Lands.
- t. **Covenant Runs with the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the Trust Committee in accordance with section 219 of the *Land Title Act* in respect of the Lands and this Agreement burdens the Lands and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including, by subdivision or by strata plan.
- u. **Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Lands.
- v. **Amendment** - This Agreement may not be modified or amended except by bylaw of the Trust Committee, upon an agreement in writing between the Trust Committee and the Owner.
- w. **Notices** - Any notice required to be given pursuant to this Agreement shall be in writing and shall be given to the Owner or the Trust Committee, as the case may be, at the address first above written, or to any other address of which either the Owner or the Trust Committee may advise the others in writing in accordance with this paragraph. Notice to the Trust Committee must be addressed to the Secretary of the Islands Trust. If given in person or by facsimile transmission, such notice will be deemed to be received when delivered and, if mailed, such notice will be deemed to be received only when actually received by the party to whom it is addressed.
- x. **Enurement** - This Agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.
- y. **Remedies Cumulative** - The remedies of the Trust Committee specified in this Agreement are cumulative and are in addition to any remedies of the Trust Committee at law or in equity. No remedy shall be deemed to be exclusive, and the Trust Committee may from time to time have recourse to one or more or all of the available remedies specified herein or at law or in equity.
- z. **Severability** - Each covenant and agreement contained in this Agreement is, and shall be construed to be, a separate and independent covenant or agreement and the breach of any such covenant or agreement by the Owner shall not discharge or relieve the Owner from its obligations to perform. If any term or provision of this Agreement, or its application to any person or circumstance shall to any extent be found to be invalid and unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

- aa. Joint and Several** - In the case of more than one Owner, the grants, covenants, conditions, provisions, agreements, rights, powers, privileges and liabilities of the Owner shall be construed and held to be several as well as joint.
- bb. Included Words** - Wherever the singular or the masculine is used in this Agreement, it shall be deemed to include the plural or the feminine, or the body politic or corporate, where the context or the parties so require.
- cc. Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the province of British Columbia.
- dd. Joint Venture** – Nothing in this Agreement shall constitute the Owner as an agent, joint venture or partner of the Trust Committee or give the Owner any authority or power to bind the Trust Committee in any way.
- ee. Time of Essence** -Time is of the essence in this Agreement.
- ff. Further Assurances** - The parties shall execute and do all such further deeds, acts, things and assurances as they reasonably require to carry out the intent of this Agreement.
- gg. Priority** - The Owner agrees to do everything necessary at the Owner's expense to ensure that this Agreement is registered against title to the Lands with priority over all financial charges, liens and encumbrances registered or pending at the time of application for registration of this Agreement.
- hh. Deed and Contract** - By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

I, _____, of _____, British Columbia do solemnly declare:

1. That I am a director of Triple Rock Land Co-operative or its successor in title to land legally described as the South West ¼ of Section 17, Denman Island, Nanaimo District, except that Part in Plan 14174 and Plan VIP77481, and make this declaration to the best of my personal knowledge.
2. That Paragraphs 5 and 6 of the Statutory Declaration of _____ set out above correctly disclose the amount of consideration in respect of the share transfer and ownership transfers described in those paragraphs.
3. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

SWORN BEFORE ME at _____, in _____)
The Province of British Columbia, this _____)
Day of _____, 20____.)

A Commissioner for Taking Affidavits for
British Columbia

) _____
)
)
) _____
) Signature of person making declaration

Attached:

- Share transfer agreement
- Agreement of purchase and sale for the Co-operative Housing Unit
- A certification of a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative member as to the depreciated replacement cost of the Co-operative Housing Unit, assessed no more than one year prior to the date of the purchase and sale of the Unit