



Policy and Procedures: Revenue Sharing, Fund Disbursement and Eligibility Criteria Policy and Procedure

File Category: Administration/Policy and Procedures

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Resolution: CF16-2017

Date policy amended: n/a

BACKGROUND AND PURPOSE:

The Cascade Lower Canyon Community Forest General Partner Corporation (CLCCF), through its Community Forest Agreement tenure and its forestry business activities, intends to create net profits on an ongoing basis. When funds accrue to a level greater than those stipulated in the CLCCF Reserve Fund Policy, and in the absence of any additional foreseen purpose not to distribute the funds, the CLCCF intends to distribute equal revenues and dividends to the CLCCF shareholders (Limited Partners) in accordance with the Company's Incorporation Agreement and the Limited Partnership Agreement. The current Limited Partners are the Fraser Valley Regional District, the District of Hope and the Yale First Nation.

Distributions shall be at the discretion and timing of the CLCCF Board and will be guided by this policy, which:

- a) Sets out the revenue sharing formula and fund disbursement criteria with respect to funds allocated or distributed to a Limited Partner of the Cascade Lower Canyon Community Forest Limited Partnership by the CLCCF; and
- b) Determines the eligibility criteria for fund disbursements by a Limited Partner to a third party.

REVENUE SHARING, FUND DISBURSEMENT AND ELEGIBILITY CRITERIA POLICY AND PROCEDURE

APPLICATION

This policy shall apply to the CLCCF General Partner Corporation, the Limited Partners of the CLCCF Limited Partnership and to all third parties who apply for funding in accordance with this policy.

PROCEDURE

1. Where any amount is to be allocated or distributed to a Limited Partner by the CLCCF, such allocation or distribution shall be made among the Limited Partners of record at the end of each CLCCF fiscal year.
2. To the extent that the CLCCF has funds on hand at the end of any fiscal year, which are not in the opinion of the CLCCF needed to satisfy existing or foreseeable obligations, the CLCCF shall distribute such funds to the Limited Partners. This distribution will generally be within a



month of the completion of the external audit of the CLCCF Limited Partnership for that fiscal year. Notwithstanding the foregoing, no distributions shall be made unless, after making the distribution, sufficient property of the Partnership and CLCCF remains to satisfy all liabilities including the Reserve Fund Policy requirements.

3. 100% of total revenues allocated or distributed to the Limited Partners by the CLCCF is divided equally between the Limited Partners for a total of a 33.3% share of total revenue to be allocated or distributed to each Limited Partner.
4. Once funds have been allocated to the Limited Partners by the CLCCF, funds must be distributed by the Limited Partners as set out in Figure 1 below, and in accordance with the eligibility criteria set out in this policy:

Figure 1

Limited Partner	% entitlement of total revenue sharing and disbursement by CLCCF General Partner	Fund Disbursement Criteria	% of total funds to be disbursed under Fund Disbursement Criteria [% disbursed reflective of 33.3% revenue entitlement]
Yale First Nation	33.3%	CLCCF Joint Legacy Fund	25%
		Discretionary as to balance of funds	75%
District of Hope	33.3%	CLCCF Joint Legacy Fund	25%
		Youth and Seniors	25%
		Regional Community at Large	25%
		Arts, Culture, Heritage and Recreation	25%
FVRD	33.3%	CLCCF Joint Legacy Fund	25%
		Youth and Seniors	25%
		Regional Community at Large	25%
		Arts, Culture, Heritage and Recreation	25%



ELIGIBILITY CRITERIA AND APPLICATION PROCESS FOR FUND DISBURSEMENTS BY A LIMITED PARTNER

5. Eligibility for Funding

- a) Fund Disbursements may not be made to a third party without consideration by the respective Limited Partner of an application for funding, except for CLCCF Joint Legacy Fund projects.
- b) An applicant for funding to a respective Limited Partner must be a registered non-profit organization, community group or association, or individual who resides in/on:
 - i) the District of Hope
 - ii) the Fraser Valley Regional District (Electoral Area B)
 - iii) Yale First Nation Lands
- c) The registered non-profit organization or community group or association must be locally based in the District of Hope, the Fraser Valley Regional District, or on Yale First Nation lands, or must otherwise provide services or provide a direct benefit to those areas.

6. Application Process

As per established policy.

7. Application Restrictions

- a. There shall be no discretionary funding by the FVRD or the District of Hope for the categories of Youth and Seniors, Regional Community at Large and Arts, Culture, Heritage and Recreation.
- b. Discretionary funding may be exercised for the CLCCF Joint Legacy Fund, which is intended to involve joint discussions between some or all of the Limited Partners to fund joint projects of those Limited Partners. Typically this would result in benefits available to residents in the communities of all the involved Partners of any joint project;
- c. Industrial, commercial, and/or other business organizations are not eligible for funding;
- d. Disbursements may not be used to subsidize activities that are the responsibility of the federal or provincial government;
- e. Disbursements may not be used to cover off or subsidize any of the following types of expenses:
 - i. Remuneration of any type whatsoever;
 - ii. Capital improvements to private, rented or leased premises; and/or



CASCADE LOWER CANYON
COMMUNITY FOREST

- iii. Private enterprise.
- f. Disbursements may not be used for political purposes or to fund groups, organizations or associations whose primary purpose is of a political nature.

8. Approval Criteria

- a. Funds may not be disbursed to a third party by a Limited Partner unless first approved in accordance with established policy.

End of policy.