

Legal Document Summary of Squamish United Church and Sea to Sky  
Community Services Society Development.

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Master Agreement

1. The project only proceeds (See 2.3 Condition Precedents) if:
  - a) The construction financing is in place;
  - b) The Budget is settled;
  - c) The architectural plans are settled;
  - d) The fixed price construction contract is settled;
  - e) The allocation of cost between the Church and Society is settled (purchase price to buy back the Church Space);
  - f) District permits are in place;
  - g) The parties are content with their respective HST advice;
  - h) The parties have their initial contributions on hand;
  - i) The Church and Society have all financing in place;
  - j) And the Church and Society authorities have approved the Agreement
2. Soft cost (engineers, architects, legal, etc) funded equally until project proceeds, then allocated in same manner as hard costs, according to square footage (proportionate) and shall take into account preserved space and any disproportionate costs relating to specific space as agreed to by the Building Committee in accordance with Section 3.2 of the Operating Procedure. (see 4.9)
3. Fixed price of buy back of Church space is subject to change work orders and sharing residual cost overruns and/or credits proportionately. (Exposure is minimized by fixed price contract and written change order procedure)

4. Once project proceeds, the Church transfers the lands to the Society and the Society registers the Construction Financing; the Option to Purchase and a Second Mortgage to the Church to secure its advances.
5. The Church will make advances for its share of the construction costs as project construction proceeds - as verified by architects inspection. These are secured by the second mortgage.
6. Church has the right but not the requirement of exercising the Option to buy back the lands for a nominal amount plus the value of the Construction Mortgage and second mortgage in the unlikely event of a significant status default by the Society (bankruptcy; ceasing to exist);
7. At the conclusion of the project, the building is stratified (strata corporation) and the bylaws are adopted governing the ongoing relationship of the parties in maintaining the building and common areas such as parking; The Church and Society will each own their respective portions of the interior of the building.
8. At the time of final project completion, the Church receives a transfer of the Church strata lot(s) free and clear of the Construction mortgage and sets off against the purchase price the amount they have advanced to date under the second mortgage;
9. At the time of Transfer back of the Church strata lot(s); the Option is discharged and the Lease for the shared space is registered against the Society's strata lots if possible.
10. The Building Committee (equal Church and Society) oversees the project construction, with optional project management, and manages the allocation and administration of change orders.

## The Contract of Purchase and Sale - for duration of building construction

1. This is a pretty standard Contract of Purchase and Sale;
2. No deposit required, but advances contemplated for Church's share of construction costs;
3. Price determine before project proceeds, then subject to change in accordance with Master agreement (change orders, cost overruns)
4. There is a deficiency holdback procedure;

## The 99 year Lease

1. The Lease will be registered, if possible, over the strata lot(s) comprising the space to be shared by the Church and Society in portions of the building owned by the Society
2. It is a long term prepaid lease, where the Church has no financial obligation apart from serious improvements and excessive janitorial.
3. There are extensive mediation and arbitration provisions.
4. Booking procedures and priorities are set out and rates will be set by policy, by the committee that has equal Church and Society representation.
5. Liquor policy, because of its importance, has been drafted and discussed by the steering group.

## The Strata Corp Bylaws

1. The Bylaws contain the regime for managing strata affairs, which are primarily the exterior of the building and grounds;
2. The Church is guaranteed representation on the Strata Council;
3. The Church as a veto power (as does the Society) as the key control to each having a say in the management of the buildings and grounds;
4. There are extensive mediation and arbitration provisions.
5. Strata business and the Lease management can be done by the same people in all likelihood.

## The Option

1. The Church has the Option to repurchase the entire project in the unlikely event the Society has a fundamental status default.
2. The lands would come back to the Church subject to the Construction Financing and the Second mortgage to the Church for the advances.
3. The Option should not be exercised lightly and probably serves the best function as the creator of status to participate with the bank in the discussion of how to complete the project.