

MASTER AGREEMENT

THIS AGREEMENT made as of the ____ day of _____ 2011.

BETWEEN:

Trustees of the Congregation of the Squamish United Church
In Trust, Under the Provisions of the United Church of Canada Act,
Statutes of Canada 1924, C. 100 and Statutes of British Columbia C. 50

(the "Church")

OF THE FIRST PART

AND:

Sea to Sky Community Services Society

(the "Society")

OF THE SECOND PART

WITNESSES THAT WHEREAS:

- A. The Church is the registered owner of the lands and premises described in Schedule "A" attached hereto (the "Lands");
- B. The Society and the Church executed a 'Revised Letter of Intent' on May 27, 2010 (the "Letter of Intent") to address, amongst other points, the sharing of soft costs and contemplating the negotiation of a formal agreement for the Project (hereinafter defined);
- C. The Society and the Church have agreed to enter into an agreement with each other to construct a multi-use strata building, to restore the existing sanctuary and to construct a new sanctuary on the Lands and Church Offices (the "Project") more particularly set out in the Proposed Strata Plan (hereinafter defined) and the Architectural Drawings and Plans (hereinafter defined). The Project shall include:
- (i) the transfer of the Lands to the Society, subject to the Church taking back the Option to Purchase (hereinafter defined) during the construction phase of the Project;
 - (ii) the construction of the Project under the management of the Building Committee (hereinafter defined), with construction financing to be arranged by the Society, as borrower, to be secured against the Lands;
 - (iii) upon completion of the construction and stratification of the Project, the transfer of the Church Space (hereinafter defined) for a purchase price to be determined in accordance with this Agreement free and clear of financial encumbrances;

- (iv) the shared use of a portion of the Project to be jointly used by the Society and the Church under the Society's ownership, but subject to the Lease (hereinafter defined) in favour of the Church; and
- (v) the Proposed Strata By-Laws (hereinafter defined) to be deposited as the land title office as appropriate for the administration, care and maintenance of the Project.

D. The Project is to be utilized by both the Society and the Church.

E. The Society and the Church wish to set out the terms and conditions upon which they shall construct and operate the Project.

NOW THEREFORE in consideration of the foregoing recitals, the following covenants and mutual benefits to be derived from this Agreement, the sum of \$10.00 paid by each party to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INTERPRETATION

1.1 **Definitions.** In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreement” or “this Agreement” means this Agreement including all schedules hereto, and includes any and all amendments made in accordance with the provisions hereof to this Agreement or any of the schedules attached hereto;

“Architectural Drawings and Plans” means the form of Architectural Drawings and Plans approved in accordance with 2.3(ix);

“Budget” means a budget showing the nature, purpose, amount and estimated timing of expenditures in connection with the development and construction of the Project, including, in sufficient detail to enable the Parties to understand: the anticipated Construction Costs, the Society's Overall Construction Costs, the Church's Overall Construction Costs and the Soft Costs, if any, and including the nature, scope and sequence of the stages of development and construction, and all adjusted from time to time in accordance with the Operating Procedure;

“Building Committee” has the meaning ascribed thereto by Section 5.1;

“Building Committee Members” means each member of the Building Committee as may be appointed by the Building Committee in accordance with Section 5.1 and the Operating Procedure.

“Building Contract” the meaning ascribed thereto by Subsection 2.3(iii);

“Business Day” mean any day except Saturdays, Sundays or statutory holidays in British Columbia;

“Change Work Order” has the meaning ascribed to it in Section 3.3 of the Operating Procedure;

“Church Space” means portion of the Project to be owned and used by the Church as set out in [colour] on the Proposed Strata Plan being an estimated square footage of ◆ ____;

“Church’s Initial Funding” has the meaning ascribed thereto by Section 4.4;

“Church’s Overall Construction Costs” has the meaning ascribed thereto by Section 4.9;

“Church’s Building Committee” means those members of the Building Committee duly appointed by the Church under Section 5.1 and the Operating Procedure;

"Construction Costs" means all actual direct out-of-pocket costs and expenses of constructing the Project which are ‘direct construction costs’, incurred by the Parties in accordance with this Agreement, including;

- (i) the cost of construction of all utility services, connections and other improvements on the Project;
- (ii) the cost of all application fees, bonds and insurance premiums required by the terms of any agreement that may be entered into in conjunction with the development and completion of the Project;
- (iii) all development costs charges, land taxes and local improvement charges payable in respect of the Lands;
- (iv) all commissions and fees of construction, including the General Contractor and subcontractors, suppliers and other tradesperson that may be payable to third parties from time to time as approved by the Building Committee;
- (v) the land title costs of the stratification of the Units;
- (vi) all other direct Construction Costs that can be included in accordance with generally accepted accounting principles relating to a development such as the one contemplated by this Agreement, and as are reasonably approved by the Building Committee from time to time; and
- (vii) the fees payable to a Project Manager, if any, pursuant to this Agreement;

“Construction Financing” has the meaning ascribed thereto by Section 4.3;

“Construction Mortgage” has the meaning ascribed thereto by Section 4.3;

“Contract of Purchase and Sale” means the form of Contract of Purchase and Sale annexed hereto as Schedule “D”;

“Effective Date” means the date set out at the beginning of the first page of this Agreement;

"Event of Default" has the meaning ascribed thereto by Section 7.1;

“General Contractor” has the meaning ascribed thereto by Subsection 2.3(iii);

“Lands” means the lands legally described in Schedule “A” annexed hereto;

“Lease” means the form of Lease annexed hereto as Schedule “F”;

“Master Agreement” means this Agreement but not the schedules hereto, and includes any and all amendments made in accordance with the provisions hereof to this Agreement;

“Operating Procedure” means the form of Operating Procedure annexed hereto as Schedule “B”;

“Option to Purchase” means the form of Option to Purchase annexed hereto as Schedule “C”;

“Party” means, initially, the Church and the Society, as the case may be, or successor, transferee or assign, and “Parties” means all of them;

“Permitted Encumbrances” mean all non-financials charges and encumbrances set out in Schedule “A”.

“Permitted Development Encumbrances” has the meaning ascribed thereto by Section 3.3;

“Project” has the meaning ascribed thereto by Preamble C;

“Project Manager” means the third party project manager appointed by the Building Committee to manage the project in accordance with Section 5.6;

“Proposed Strata By-Laws” means the form of Proposed Strata By-Laws annexed hereto as Schedule “G”;

“Society Space” means portion of the Project to be owned and used by the Society as set out in *[colour]* on the Proposed Strata Plan being an estimated square footage of ◆ _____;

“Society’s Building Committee” means those members of the Building Committee duly appointed by the Society under Section 5.1 and the Operating Procedure;

“Society’s Initial Funding” has the meaning ascribed thereto by Section 4.3;

“Society’s Overall Construction Costs” has the meaning ascribed thereto by Section 4.9;

“Soft Costs” means all actual direct out-of-pocket costs and expenses of constructing the Project which are ‘not direct construction costs’, incurred by the Parties in accordance with this Agreement including:

- (i) the cost of all surveyors, planners, engineers, architects and other related costs of the Parties;
- (ii) all legal fees and other fees and expenses incurred by the Parties relating to the Project or to the negotiation and preparation of this Agreement; and
- (iii) all other indirect construction costs that can be included in accordance with generally accepted accounting principles relating to a development such as the one contemplated by this Agreement, and as are reasonably approved by the Building Committee from time to time;

“Term” has the meaning ascribed thereto by Section 2.4;

“Total Initial Financing” has the meaning ascribed thereto by Section 4.5; and

“Unit(s)” means the strata units, if any, to be constructed on the Lands.

1.2 **Schedules.** The following schedules are attached to and form part of this Agreement:

- Schedule “A” - Lands and Permitted Encumbrances
- Schedule “B” - Operating Procedure
- Schedule “C” - Option to Purchase
- Schedule “D” - Contract of Purchase and Sale
- Schedule “E” - Proposed Strata By-Laws
- Schedule “F” - Lease
- Schedule “G” - Proposed Strata Plan

1.3 **Headings.** Article and section headings are not to be considered part of this Agreement, are included solely for convenience and are not intended to be full or accurate descriptions of the content thereof.

1.4 **Scope of Agreement.** The schedules attached hereto and any exhibits or other documents attached to this Agreement are an integral part of this Agreement.

1.5 **Jurisdiction.** This Agreement shall be construed and the relationship of the Parties determined in accordance with the laws of the Province of British Columbia, and except as otherwise provided, the courts having exclusive jurisdiction with respect thereto shall be the

courts of original jurisdiction in that province.

- 1.6 **Interpretation.** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; persons shall include bodies corporate and vice versa; references herein to any agreement or other instrument shall be deemed to include references to such agreement or other instrument as varied or replaced from time to time.
- 1.7 **Invalidity.** Should any provision of this Agreement, in whole or in part, be or become invalid, illegal or not capable of performance, the validity or legality of the remaining provisions of this Agreement shall not thereby be affected; or should this Agreement fail to provide for any relevant matter, the validity or legality of this Agreement shall not thereby be affected; and in any such case in lieu of the invalid, illegal or inoperative provision or the missing provisions, this Agreement shall be applied or interpreted in a reasonable manner which so far as is legally permissible comes as close as possible to the application that the Parties intended or would have intended according to the sense and purpose of this Agreement had they considered the matter or known of the invalidity, illegality or inoperativeness at the time of the execution of this Agreement.

2. PURPOSE AND TERM

- 2.1 **Contractual Arrangement.** The Parties hereby enter into and form a contractual arrangement for the limited purposes and scope set forth in this Agreement (the "Agreement").
- 2.2 **Purposes.** The sole purposes of the Agreement are to:
- (a) develop the Project by the design and construction and renovation thereon of a building encompassing a residential housing project, a sanctuary, an events and recreation hall, direct community services and administrative offices and church offices;
 - (b) prepare and file any necessary plans of stratification in respect of the proposed Units;
 - (c) transfer Church Space to the Church pursuant to the Proposed Strata Plan; and
 - (d) engage in such other activities as are reasonably incidental to the foregoing or as otherwise set out in this Agreement.
- 2.3 **Conditions Precedent.** The obligations of the Society and the Church are subject to the following mutual condition precedents in favour of both the Society and the Church:
- (i) the Society receiving written confirmation that it has been approved for Construction Financing with an interest rate, terms, amortization period and monthly payment which is satisfactory to the Society to be secured by way of the Construction Mortgage;

- (ii) the Church has available and set aside the Church's Initial Funding;
- (iii) the tendering of and negotiation of a building contract with the general contractor (the "General Contractor"), on a fixed costs basis on term acceptable to both the Society and the Church including setting out the terms of delegation of responsibilities to the General Contractor (the "Building Contract");
- (iv) the negotiation with the District of Squamish of the applications required for the development of the Lands, including the rezoning of the Lands or other development applications or permits required for the Project;
- (v) obtaining course of construction insurance, including liability and property insurance, to the satisfaction of the Society and the Church meeting or exceeding that set out in Section 3.12 of the Operation Procedure;
- (vi) the Church and the Society having received accounting and tax advice on the implications of the Project and the transfers contemplated herein, including the HST implications of the same and if so required by either Party, the Church and Society shall certify registration for HST or an exemption from HST;
- (vii) the Church and the Society having produced and be satisfied with the initial Budget;
- (viii) the Church and Society obtaining resolutions and other internal authority for the execution of the Agreement and schedules hereto and, in addition, the Society passing borrowing resolutions related to the construction financing, including, but not limited to, the approval of Presbytery for the execution of this agreement and the schedules hereto;
- (ix) the review and approval of the Architectural Drawings and Plans; and
- (x) the Church being approved for purchase financing in an amount sufficient to complete the purchase of the Church Space over and about the Church's Initial Contribution.

The aforesaid conditions precedents are for the benefit of the Society and the Church and both the Society and the Church must either waive or declare fulfilled each of the aforesaid conditions precedents for this to become a binding contract. These conditions precedent must be declared fulfilled or waived on or before June 30, 2013 or this agreement shall be at an end.

- 2.4 **Term.** The term of the Agreement shall commence upon the occurrence of all of the execution of this Agreement and the Schedules hereto, the waiver of the conditions precedent in Section 2.3 and the transfer of the Lands as set out in Section 3.1 and thereupon this Agreement shall become a binding contract on the Society and the Church, and shall

continue, unless sooner terminated in accordance with the provisions of this Agreement under Section 7.2, for so long as the Parties hold any interest in or have any obligations relating to the Lands (the “Term”). If, for any reason, the Term does not commence, the Parties shall share all costs incurred in connection with this Agreement up to the point of termination equally.

- 2.5 **No Right to Withdraw.** Neither the Society nor the Church shall have the right to withdraw from the Agreement or to dissolve, terminate or liquidate, or to bring a court application for the sale of the Lands, or the dissolution, termination or liquidation of this Agreement except as provided in this Agreement or with the written consent of both the Society and the Church.

3. TITLE AND OWNERSHIP

- 3.1 **Initial Transfer.** The Church shall transfer the legal and beneficial ownership of the Lands to the Society for \$1.00 free and clear of all charges but for the Permitted Encumbrances and the Option to Purchase (which may be registered prior to or immediately following the transfer).
- 3.2 **Financial Encumbrances.** The Society shall be permitted to register the Construction Mortgage against the Lands. The Church shall cause the Option to Purchase to be subordinated to the Construction Mortgage if so required as a condition of lending.
- 3.3 **Developmental Encumbrances.** The Parties shall allow other charges and encumbrances in favour of the District of Squamish or other public bodies to be registered against the Lands reasonably required for the construction and development of the Project (the “Permitted Development Encumbrances”). It is anticipated that a section 219 Covenant restricting the use of the multi purpose room located in the Project will be required.
- 3.4 **Transfer Back under the Contract of Purchase and Sale.** Upon the registration of the Proposed Strata Plan, Proposed Strata By-Laws and other strata documents (which shall reflect this terms of this Agreement) and within 30 days from the date of receipt of an occupancy permit for the Project, the Society shall sell to the Church and the Church shall purchase from the Society the Church Space in accordance with the Contract of Purchase of Sale free and clear of all charges and encumbrances but for the Permitted Encumbrances and the Permitted Development Encumbrance. The purchase price shall be the amount of the Church’s Overall Construction Costs minus the sum of the Church’s Initial Funding plus any further contributions by the Church to Construction Costs. It is a concurrent requirement that the Society and the Church use best efforts to register the Lease as against the Lease Space in accordance with Section 3.5.
- 3.5 **Lease Space.** The Lease Space in the Project after construction shall be governed by a Lease (the “Lease”) between the Church as tenant and the Society as landlord, and the Society shall consent to registration of the Lease against the Lease Space. In the event that the Registrar of Land Titles does not accept the registration of the Lease as proposed, the Parties shall enter into an unregistered lease or reciprocal license and cost sharing agreement under

substantially the same terms and conditions as the Lease, which shall address the ownership of all equipment, supplies, goods and chattels in the Lease Space installed or supplied by it; the use of the Lease Space from time to time by each Party; cleaning and maintenance as well as special uses.

- 3.6 **Strata By-Laws.** The Proposed Strata By-Laws for the administration, care and maintenance of the Project and in compliance with *Strata Property Act* [RSBC 1998], shall be in the form attached hereto as Schedule “E” (the “Proposed Strata By-Laws”).
- 3.7 **Separate Activities.** Except as otherwise expressly provided in this Agreement, no Party shall have any authority to bind or act for, or assume any obligation or responsibility on behalf of, any other Party. Neither Party shall be responsible or liable for any indebtedness or obligation of any other Party or otherwise relating to the Project incurred or arising either before or after the execution of this Agreement, except as to those joint responsibilities, liabilities, indebtedness or obligations incurred after the date hereof pursuant to and as limited by the terms of this Agreement, including the acts of the Building Committee.
- 3.8 **No Partnership.** Nothing contained in this Agreement shall be deemed to create or be interpreted as a partnership relationship among and between the Parties; the right of ownership to property and assets hereunder shall be a sole, undivided right and not a joint, collective or partnership right; and, unless otherwise provided in this Agreement, the obligations of the Parties shall be several and not joint or joint and several.

4. PROJECT FINANCING AND CONTRIBUTIONS

- 4.1 **Project Account.** Funds of the Agreement shall be deposited in an account or accounts of a type, in form and name and in a bank or banks or other financial institutions approved by the Building Committee (the “Project Account”). Withdrawals from the Project Account shall be made by such parties approved by the Building Committee. All cheques shall require two signatures of the Building Committee Members.
- 4.2 **Soft Cost Contributions.** The Parties shall contribute such further funds equally to the Project Account to meet Soft Costs as they reasonably fall due. If the Agreement should terminate prior to commencement of building construction, the Parties shall distribute the remaining funds deposited on account of Soft Costs in the Project Account equally or contribute sufficient funds equally to cover all remaining Soft Costs, as the case may be. Once all the Conditions Precedent are met and the Agreement proceeds, the Soft Costs will be allocated to the Church and Society in the same proportions as the Construction Costs.
- 4.3 **The Society’s Construction Funding.** The Society shall be responsible for acquiring and setting aside in a separate account the amount of ♦ _____ dollars (\$_____.00) (the “Society’s Initial Funding”). It is the intention of the Parties that the Society finance its contribution to the Soft Costs and Construction Costs to the fullest extent possible through one or more loans from commercial lenders secured by the Lands and the Project. Prior to

the Term, the Society shall use its commercially reasonable efforts to arrange with an institutional lender such financing as may be required to develop and construct the Project on such terms and conditions as the Society shall be able to negotiate with such lender and shall not require a covenant from the Church (the "Construction Financing"). The Construction Financing shall be secured by way of a first mortgage on the Lands (the "Construction Mortgage") and, if required, a general security agreement against the personal property of the Society on the Lands, including acceptable terms of the partial discharges of the Construction Mortgage against the Church Space and the Lease Space upon the transfer back of those portions of the Project to the Church in accordance with Section 3.4.

- 4.4 **The Church's Construction Funding.** In addition to the Lands being provided by the Church, Church shall be responsible for acquiring and setting aside in a separate account the amount of ♦ _____ **dollars (\$_____.**00) (the "Church's Initial Funding"). The Church shall advance funds from the Church's Initial Funding in conjunction with draws made on the Construction Financing in amounts allocated to the Church Space. The Society shall grant the Church a second mortgage as collateral security for the advances, such mortgage to be without recourse beyond the Lands.
- 4.5 **Construction Funding Secured Beforehand.** All financial arrangements for the development of the Project shall be determined and secured prior to construction commencing and the Church shall provide proof that it has attained or shall attain the Church's Initial Funding and the Society shall provide proof that it has attained or shall attain the Society's Initial Funding. The total amount of the initial funding, being the Church's Initial Funding plus the Society's Initial Funding is ♦ _____ **dollars (\$_____.**00) (the "Total Initial Financing").
- 4.6 **Construction Costs Contributions.** The Society and the Church shall each contribute such funds to the Project Account to meet the Construction Costs and Soft Costs as they reasonably fall due and are not funded by the Construction Financing or the Church under Section 4.4. For clarity, neither the Church nor the Society is relieved of its obligations to contribute its share as set out above in the event that its initial share is exhausted prior to the completion of construction of the Project, specifically in the instance of the Church – The Church's Initial Funding, and in the instance of the Society - the Society's Initial Funding. These contributions shall be allocated, where identifiable to the Church Space or Society Space, to the respective party. Where unidentifiable, such contributions shall be allocated in the same proportions as overall construction costs under 4.9 before inclusion of these contributions.
- 4.8 **Contribution by the Other Party.** If either of the Parties fails to make its Soft Costs contributions under Section 4.2 or its Construction Costs contributions under Section 4.7, the other 'contributing' Party may (but shall not be required to) advance the funds required to be contributed by the non-contributing Party and all such funds shall be deemed to be loaned by the contributing Party to the non-contributing Party, and any such loan shall bear interest at the nominal annual rate equal to Royal Bank of Canada Prime plus 5% *per annum simple*

interest, payable within ten (10) days of demand from the contributing Party to the non-contributing Party or on other such terms and the Parties may agreed to in writing.

4.9 **Overall Construction Costs.** The Society and the Church agree that the overall allocation of the Soft Costs and Construction Costs attributable to the Church and the Society shall be:

- (a) to the Church: the Church Space, (the “Church’s Overall Construction Costs”); and
- (b) to the Society: the Society Space, the Lease Space, (the “Society’s Overall Construction Costs”);

but 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. The Parties shall set down the first estimated allocation of the Church’s Overall Construction Costs and the Society’s Overall Construction Costs in the initial Budget prior to construction. The Building Committee, as part of its task of revising the Budget from time to time in accordance with Section 4.12 and the provisions of Article 3 of the Operating Procedure (including the Change Work Order provisions), shall continue to revise the estimated allocations of both the Church’s Overall Construction Costs and the Society’s Overall Construction Costs. In particular, the Building Committee shall provide an estimate of the Church’s Overall Construction Costs twenty (20) days prior to the date of the transfer back under Section 3.4 under the Contract of Purchase and Sale. For certainty, irrespective of that estimate used for the transfer back under Section 3.4, the Building Committee shall continue such allocations of the Church’s Overall Construction Costs and the Society’s Overall Construction Costs until all Construction Costs and Change Work Orders have been fully accounted for.

4.10 **Accounting and Records.** The Society shall provide such administrative and accounting support to the Project and in accordance with Article 4 of the Operating Procedure, including the Budget and revisions thereto during the construction phase of the Project

4.11 **Covenant to Pay and to Indemnify other Party.** Each of the Parties shall, at all times, duly and punctually pay and discharge its separate debts, liabilities, obligations, duties and agreements whether at present or in the future with respect to the Project, and keep indemnified and save harmless each other from all actions, proceedings, costs, claims and demands of every nature suffered as a result of the any loss, claim or expense suffered as a result of the other Party in respect of its obligations under this Agreement, including the discharge of any encumbrances under Section 6.1.

4.12 **Change Work Orders.** The Church and the Society agree to be bound to the Change Work Orders approved and allocated in accordance with the provisions of Article 3 of the

Operating Procedure, and such costs shall be paid by the Party or Parties when such costs reasonably fall due in accordance with Section 4.6.

5. CONSTRUCTION ADMINISTRATION

- 5.1 **The Building Committee Members.** Each Party shall appoint four members to a building oversight committee to oversee the building process and report back to his/her appointor as required on the terms set out in this Agreement and Operating Procedure (the “Building Committee”). The initial Building Committee Members shall be:

Church’s Building Committee

Peter Gordon;
Ken Tanner;
Bert Ionson; and,
Rev. Karen Millard

Society’s Building Committee

Shawn Jones
Tracey Kliesch;
Lois Wynne and,
Elizabeth Wood

The Operating Procedure sets out further details with respect to the appointment, duties, removal and other provisions regarding the Building Committee and the Building Committee Members.

- 5.2 **Delegation to the Building Committee.** The Project shall be managed and controlled by the Building Committee and the Parties hereby consent to such delegation. The acts of the Building Committee shall bind the Parties provided they are within the scope of the Building Committee’s authority to manage and control the Project as set out in this Agreement. The Building Committee shall at all times keep the Parties informed as to all matters of concern or of any material decisions.
- 5.3 **The Building Committee’s Authority.** The Building Committee shall be and is hereby authorized to manage the day-to-day business affairs of the construction of the Project in accordance with this Article and the Operating Procedure, including the authority, power and discretion, acting reasonably, to make all decisions, to enter all contracts necessary and incidental to the construction of the Project as contemplated in this Agreement, and to do and perform all other acts and things which the Building Committee deems necessary or appropriate to accomplish the same. Without limiting the generality of the foregoing, during the construction of the Project, the Building Committee shall have the power and authority to:
- (a) purchase liability and other insurance to protect the Building Committee and the Project naming both the Society and the Church as insureds;

- (b) invest funds in the Project Account temporarily to the extent not required to pay the current liabilities of the Project;
- (c) execute on behalf of the Parties all instruments and documents, including without limitation, cheques, drafts, notes and other negotiable instruments, in the reasonable opinion of the Building Committee to accomplish the purposes of the Project;
- (d) employ accountants, legal counsel, managing agents, or other experts to perform services for the Project;
- (e) approve plans and specifications, development and construction budgets, development and construction financing, and construction schedules;
- (f) make adjustments to the design of the Project, including architectural themes, use, layout and like matters, subject to the terms and limitation of this Agreement including change order provisions;
- (g) revise the Budget subject to the terms and limitations of this Agreement including Change Work Order provisions;
- (h) designate and negotiate with the General Contractor, subcontractors, suppliers, architects, engineers and other consultants providing services for the Project;
- (i) determine and revise the form and content of plans and specification for the Project; and
- (j) perform ancillary or incidental decisions and functions to achieve the aforesaid and the further duties set out under Section 13.3 of the Operating Procedure.

5.4 **The Building Committee Limits on Authority.** The Building Committee shall not have the power and authority to:

- (a) borrow any money by or on behalf of the Society or Church from banks or other lending institutions including the hypothecating, mortgaging, encumbering and granting of security interests in the Lands or other assets of the Project;
- (b) do anything which is prohibited under this Agreement;
- (c) amend this Agreement, except for any amendments required under the law to correct an inaccuracy in this Agreement which may be filed at any time by the Building Committee; and
- (d) perform an act or enter a contract on behalf of the Parties that lies outside the normal

scope of the development of the Project.

- 5.5 **Limits on the Parties.** Other than through the Building Committee, no Party shall incur any debt, liability or other obligation on behalf of each other or otherwise enter into any transaction or do anything which shall subject the Parties to any debt, liability or other obligation, unless authorized to do so by this Agreement.
- 5.6 **Project Manager.** The Building Committee may delegate all or a portion of its responsibilities to a project manager (the "Project Manager") provided that the Building Committee continues to meet with the Project Manager and the other Parties and supervises the Project and the Project Manager.
- 5.7 **Deference to the Building Contract.** The Parties and the Building Committee shall abide by the delegation of responsibilities to a Builder as set out in the Building Contract so long as the Builder is in substantial compliance with the terms of that Building Contract.

6. GENERAL SALE, TRANSFER AND MORTGAGE INSTRUCTIONS

- 6.1 **Parties Not to Encumber Project.** Except as expressly permitted herein, neither Party shall not sell, assign, transfer, mortgage, charge or otherwise encumber, or suffer any third party to sell, assign, transfer, mortgage, charge or otherwise encumber, or contract to do or permit any of the foregoing, whether voluntary or by operation of law (herein sometimes collectively called a "transfer"), any part or all of its interest in the development of the Project without the written consent of the other Party, and any attempt to do so shall be void. The giving of such consent in any one or more circumstances shall not limit or waive the need for such consent in any other or subsequent instances.

7. DEFAULT AND DISSOLUTION

- 7.1 **Events of Default.** The occurrence of any of the following events shall constitute an Event of Default hereunder on the part of the Party with respect to whom such event occurs ("Defaulter"), if within 30 *days* following notice of such default from the other Parties the Defaulter fails to commence substantial efforts to cure such default or thereafter fails within a reasonable time to prosecute to completion with diligence and continuity the curing of such default; provided, however, that the occurrence of any of the events described in Subsections (f) to (k) inclusive below shall constitute an Event of Default immediately upon such occurrence without any requirement of notice or passage of time except as specifically set forth in any such Subsection:
- (a) the violation by a Party of any of the restrictions set forth in Article 6, to transfer its interest in the development of the Project;
 - (b) institution by a Party of proceedings of any nature under any laws of Canada or of any province, whether such law is now existing or subsequently enacted or amended, for the relief of debtors wherein such Party is seeking relief as a debtor;

- (c) failure by the Society to remove a builder's lien, provided, however, that such a lien shall not constitute an Event of Default hereunder if the Society either pays into court funds to release the lien or pays into trust with its solicitor the amount of the face of the lien plus 15% if the Society disputes the builder's lien;
- (d) any material breach by a Party of the terms and conditions of this Agreement, including, in particular the financing provisions in Article 4;
- (e) the Society shall be in default under this Agreement if it fails to meet any of the obligations imposed on it by the *Societies Act* RSBC 1996, and any amendments thereto, which would result in the loss or suspension of its status as a Society and which may have a material adverse impact on the Project;
- (f) a general assignment by a Party for the benefit of creditors;
- (g) the institution against a Party of a proceeding under the *Bankruptcy and Insolvency Act* as now existing or hereafter amended or becoming effective, which proceeding is not dismissed, stayed or discharged within a period of thirty (30) days after the filing thereof or if stayed, which stay is thereafter lifted without a contemporaneous discharge or dismissal of such proceedings;
- (h) a proposed plan of arrangement or other action by a Party's creditors taken as a result of a general meeting of the creditors of such Party;
- (i) the appointment of a receiver, trustee or like officer, to take possession of the assets of a Party if the appointment of such receivership would reasonably tend to have a materially adverse effect upon the performance by the Party of its obligations under this Agreement, which receivership remains undischarged for a period of thirty (30) days from the date of its imposition;
- (j) a written admission by a director of the Society or a trustee of the Church of the Party's inability to pay its debts as they mature; and
- (k) attachment, execution or other judicial seizure of all or any substantial part of a Party's assets, or any part thereof, such attachment, execution or seizure remaining undischarged or undischarged for a period of thirty (30) days after the levy thereof, if the occurrence of such attachment, execution or other judicial seizure would reasonably tend to have a materially adverse effect upon the performance by the Party of its obligations under this Agreement; provided, however, that such attachment, execution or seizure shall not constitute an Event of Default hereunder if such Party posts a bond sufficient to fully satisfy the amount of such claim or judgment within thirty (30) days after the levy thereof and the Party's assets are thereby released from the lien of such attachment.

7.2 **Termination.** The Agreement shall be terminated only in the event that:

- (a) an Event of Default has occurred as provided in Section 7.1 and upon the cure period set out therein, and the non-defaulting Party elects in writing to terminate the Agreement, and if the default is caused by the Society, the Church may, but shall not be required to utilize the Option to Purchase to take over the development of the Project;
- (b) the Parties mutually agree to terminate the Agreement in writing on terms agreeable to the Parties;
- (c) one or more of the Parties elects to terminate the Agreement in writing pursuant to any provision of this Agreement permitting such election to be made; or
- (d) the Agreement, by its terms as set forth in this Agreement, is terminated, in particular Section 2.4 regarding the Term.

7.3 **Defaults under the Contract of Purchase and Sale.** Defaults in connection with the transfer back of those portions of the Project back to the Church under Section 3.4 shall be governed by the Contract of Purchase and Sale attached hereto as Schedule “D”.

8. **MEDIATION AND ARBITRATION** The Parties shall always first exercise best effort to resolve any dispute in good faith, failing which the following provisions shall apply:

8.1 **Mediation and Arbitration Required.** Any dispute between the Parties which touches upon the validity, construction, meaning, performance, or effect of this Agreement or the rights and liabilities of the Parties or any matter arising out of or connected with this Agreement shall be subject to mediation. If the Parties fail to resolve their dispute at mediation, the dispute shall be subject to arbitration under the *Commercial Arbitration Act*, R.S.B.C. 1996, c. 55, or any legislation in substitution therefore, and as provided in this Article.

8.2 **Requiring Mediation.** The Party desiring mediation shall nominate mediator and shall notify the other Party of such nomination. Such notice shall set forth a brief description of the matter submitted for mediation and, if appropriate, the clause of the Agreement under which such matter is so submitted. Such other Party shall within 15 Business Days after receiving such notice, either accept the nominated mediator or nominate its own mediator. The mediator with the first availability shall be appointed the mediator for the dispute.

8.3 **Mediation Location.** The mediation shall take place in the District of Squamish or such place as the mediator decides, and the time and place in the District of Squamish so determined shall also be fixed by the mediator for the purpose of hearing such evidence and representations as either of the Parties may present.

- 8.4 **Mediation Costs.** The cost of the mediation shall be borne equally by the Parties.
- 8.5 **Arbitration Required if Mediation Fails.** If the Parties fail to resolve the dispute at the mediation each Party shall nominate one arbitrator and shall notify the other Party of such nomination. Such notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the clause of the Lease under which such matter is so submitted. Such other Party shall within 15 Business Days after receiving such notice nominate an arbitrator, and the two arbitrators shall select a chairman of the arbitral tribunal to act jointly with them. If the arbitrators are unable to agree in the selection of a chairman, the chairman shall be designated by the President of the Arbitrators' Institute of Canada.
- 8.6 **Arbitration Location.** The arbitration shall take place in the District of Squamish or such place as the chairman decides, and the time and place in the District of Squamish so determined shall also be fixed by the chairman for the purpose of hearing such evidence and representations as either of the Parties may present. The arbitrators and the chairman shall, after hearing any evidence and representations that the Parties may submit, make their decision and reduce the same in writing and deliver one copy thereof to each of the Parties. The majority of the chairman and arbitrators may determine any matters of procedure for the arbitration not specified herein.
- 8.7 **Single Arbitrator if No Reply.** If the Party receiving the notice of the nomination of an arbitrator by the Party desiring arbitration fails within the said 15 Business Days to nominate an arbitrator, then the arbitrator nominated by the Party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as he shall think fit and his decision, subject to the provisions hereof, shall be binding upon the Parties.
- 8.8 **Single Arbitrator by Consent.** Notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the Parties so agree, in which event the provisions of this Article 8 shall apply, *mutatis mutandis*.
- 8.9 **Arbitration Costs.** The cost of the arbitration shall be borne by the Parties as may be specified in such determination.
- 8.10 **Arbitration Decision Final.** The judgment upon the award rendered in any such arbitration shall be final and binding upon the Parties and may be entered in any court having jurisdiction thereof.
- 8.11 Notwithstanding the provisions of Section 8 of the Agreement, in the event there is a dispute that the Church still retains the right to file a Certificate of Pending Litigation ("CPL") against the property and to commence an action in the Supreme Court of British Columbia for the purposes of filing a CPL. The Church, in filing a CPL, understands that it would be a breach of the Construction Mortgage, resulting in delays to the Project and increase potential costs, including those associated with defaulting on payment under construction contracts, builder's lien and further Project expenses. Accordingly, the Church agrees that unless the

dispute is so fundamental to the Project that the Church deems it necessary to stopping construction altogether, acting reasonably, the Church agrees to make reasonable efforts, as required by the Society and the lender, to allow further advances under the Society's Construction Mortgage, such as allowing advances ahead of the CPL.

9. GENERAL

9.1 **Revisions to Agreement in Writing.** If at any time during the Term, the Parties shall deem it necessary or expedient to make any alteration to this Agreement, they shall do so only in writing signed by both Parties and all such alterations shall be adhered to and have the same force and effect as if they had been originally embodied in and formed part of this Agreement.

9.2 **Notices.** All notices or other communications required herein or reasonably requested by a party hereto, shall be given in writing by personal delivery or registered mail, electronic mail or by facsimile transmission to such other party as follows:

To the Church at: Address: 38014 Fourth Avenue, Squamish, BC, PO Box 286
V8B 0A3
E-mail Address: secretarysquinted@telus.net
Fax Number: 604.892.5729

To the Society at: Address: 38144 Second Avenue Squamish, BC, PO Box 949
V8B 0A7
E-mail Address: lois.wynne@sscs.ca
Fax Number: 604.892.2267

or at such other address as may be given by such person to the other Party hereto in writing from time to time. All such notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 am on the fifth day following the day of mailing thereof.

9.3 **Entire Agreement.** The terms and conditions of this Agreement constitute the entire agreement between and among the Parties relating to the subject matter hereof and this Agreement supersedes all representations, warranties, covenants, agreements, conditions and understandings of the Parties concerning such subject matter and oral representations not reduced to writing and signed by the Parties shall not be of any force or effect whatsoever

9.4 **Further Acts.** The Parties covenant and agree to do such further acts and execute such further documents or agreements as may be required from time to time to give full effect and meaning to this Agreement and to carry out the intent and purpose of this Agreement.

9.5 **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

- 9.6 **Counterparts.** This Agreement may be executed in counterpart and all executed counterparts taken together shall constitute one agreement.
- 9.7 **Good Faith.** Both Parties agree to act honestly and in good faith and in the best interest of the Project and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise as in such a contractual arrangement for the Project in comparable circumstances.
- 9.8 **Non-Waiver.** No waiver by either Party of any breach (whether actual or anticipated) of any of the covenants, provisos, conditions, restrictions or stipulations herein contained shall take effect or be binding upon that party unless the same is expressed in writing under the authority of that party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

9.9 **Precedence.** Unless specifically set out in any of the provisions of the Schedules hereto, if there is a conflict between any of the provisions of the Schedules and the Master Agreement, the provisions of the Master Agreement shall prevail in relation to that conflict.

9.10 **Cooperation.** The Church shall reasonably cooperate with the Society to alter the Proposed Strata Plan to add a residential component after the Project is complete on top of the Society Space, provided the Society provides an indemnity, sufficiently secured, of the Church with respect to the costs of developing such additional space.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement effective the day and year first above written.

Trustees of the Congregation of the Squamish United Church, In Trust, Under the Provisions of the United Church of Canada Act, Statutes of Canada 1924, C. 100 and Statutes of British Columbia C. 50, by their authorized signatory.

Sea to Sky Community Services Society
by its authorized signatory(ies)

SCHEDULE "A"

LANDS

(Legal Description)

PERMITTED ENCUMBRANCES

SCHEDULE “B”

OPERATING PROCEDURE

ARTICLE 1 INTERPRETATION

1.1 **Binding on Parties.** This Operating Procedure shall be binding upon the Parties until such time as the construction is completed and the Church Space is transferred to the Church.

1.2 **Further Definitions.** In this Procedure, unless the context otherwise requires, terms used herein and defined in the Agreement shall have the meanings therein defined and the following terms shall have the following meanings:

“for the Project Account” means for the benefit, interest, ownership, risk, cost, expense and obligation of the Project;

“Master Agreement” means the Master Agreement to which this Procedure is annexed as a schedule;

“Majority of Votes” means 3/4 vote of the Parties; and

“Procedure” or “this Procedure” means this Operating Procedure including all schedules hereto, and includes any and all amendments made in accordance with the provisions hereof to this Procedure or any of the schedules attached hereto.

1.2 **Headings.** Article and section headings are not to be considered part of this Procedure, are included solely for convenience and are not intended to be full or accurate descriptions of the content thereof.

1.3 **Interpretation.** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; persons shall include bodies corporate and vice versa; references herein to any agreement or other instrument shall be deemed to include references to such agreement or other instrument as varied or replaced from time to time.

ARTICLE 2 THE BUILDING COMMITTEE MEMBERS

2.1 **Appointment by the Parties.** The initial Building Committee Members are set out in Section 5.1 of the Master Agreement. The Church at any time may substitute another individual in place of any of the Church’s Building Committee members and such other individual designated in writing by the Church shall become the new member of the Church on the Building Committee. The Society may at any time substitute another individual in place of any of the Society’s Building Committee and such other individual designated in writing by the Society shall become the new member of the Society on the Building Committee.

2.2 **Meetings of the Building Committee.** The Building Committee shall meet from time to time at mutually determined by the Building Committee Members. Any action require to be taken by the Building Committee may be taken without a meeting if all the Building Committee

Members entitled to vote consent in writing to that action. The quorum at any meeting of the Building Committee shall be five Building Committee Members. All votes must have equal numbers of the Society's Building Committee Members and the Church's Building Committee Members. Each Building Committee Members shall be entitled to one vote on matters determined by or referred to the Building Committee and, unless this Agreement provides for different voting requirements to pass a vote, action may be taken on the affirmative vote of a Majority of Votes.

- 2.3 **Building Committee Members' Duties.** The Building Committee Members shall devote such time, attention and energy to the business affairs of the Project as may be necessary to discharge the Building Committee's responsibility hereunder. The Building Committee Members shall act honestly and in good faith and shall exercise the care, diligence and skill that the reasonably prudent individual would exercise in comparable circumstances.
- 2.4 **Building Committee Members' Limited Liability.** Any Building Committee Member who acts honestly and in good faith is not personally liable to the Parties because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the Building Committee and the Parties agree to indemnify such Building Committee Member in respect of such acts.
- 2.5 **Term of Appointment.** The Building Committee Members shall hold office until new appointment, resignation or removal as set out in this Article.
- 2.6 **Removal of Building Committee Members.** Any member of the Building Committee may be removed for any of: failing to fulfill his/her responsibilities under this Operating Procedure, inducing a breach of the Material Agreement or causing a material increase in the Budget except as permitted herein, assigning or purporting or attempting to assign his/her general powers and responsibilities of supervision and management as a Building Committee Member hereunder, by unanimous vote of all the remaining Building Committee Members.
- 2.7 **Appointment of Removed Building Committee Member.** As of the effective date of the resignation or removal of a Building Committee Member, pursuant to this Article 2 of this Procedure, the Party that appointed the Building Committee Member shall appoint a successor.
- 2.8 **Resignation of a Building Committee Member.** Subject to Section 2.1 of this Procedure, a Building Committee Member may resign upon giving the Building Committee 30 days' written notice of its intention to do so, in which event the Party that appointed such Building Committee Member shall appoint a successor.
- 2.9 **Building Committee to Deliver Project Materials.** At the effective date of the resignation or replacement of a Building Committee Member as provided in this Article 2, the Building Committee Member being replaced shall deliver to the Building Committee:
- (a) copies of books of account and records kept for the Project Account or pertaining to the Project in the Building Committee Member's possession;

- (b) all other documents, agreements and other papers relating to the operations in the Building Committee Member's possession; and
- (c) all bank records and banking information relating to the Project in the Building Committee Member's possession.

Upon compliance with such obligation, the outgoing Building Committee Member shall be released and discharged from, and the successor Building Committee Member shall assume, all duties and obligations of the Building Committee Member, except those unsatisfied duties and obligations of the outgoing Building Committee Member which had accrued prior to the effective date of the change of Building Committee Member, for which the outgoing Building Committee Member shall continue to remain responsible.

ARTICLE 3 MANAGEMENT AND DUTIES OF THE BUILDING COMMITTEE INCLUDING BUDGETARY MATTERS AND CHANGE WORK ORDERS

- 3.1 **Building Committee to Negotiate Contracts.** The Building Committee shall negotiate and execute all contracts and permits necessary to the development of the Project for the development of the Project based on fixed price contracts wherever possible.
- 3.2 **The Budget Revisions.** Following the determination of the initial Budget and the initial allocation of the Church's Overall Construction Costs and the Society's Overall Construction Costs in accordance with Section 4.9 of the Master Agreement, the Building Committee shall revise the Budget in accordance with the Master Agreement and this Procedure. The Budget shall be reasonably allocated between the Church Space, the Society Space and the Lease Space. The starting point shall be proportionate square footage of these spaces but shall take into account preserved space and any disproportionate costs relating to specific space as agreed to by the Building Committee.
- 3.3 **Change Work Orders.** The Building Committee shall oversee the construction and development of the Project and specifically shall manage Change Work Order requests. Subject to the terms of the Building Contract with the General Contractor, any material addition, removals, correction, variations or price changes to the Project shall be effected only a further agreement in writing signed by the Building Committee as set out hereinafter (a "Change Work Order").
- 3.4 **Shared Change Work Orders.** Change Work Orders affecting both the Church Space and the Society Space must be approved in writing by the Building Committee after being passed by majority of both the Church's Building Committee and the Society's Building Committee. The starting point shall be proportionate square footage of these spaces but shall take into account preserved space and any disproportionate costs relating to specific space as agreed to by the Building Committee. The Society and the Church shall pay for change Work Orders in accordance with Section 4.12 of the Master Agreement.
- 3.5 **The Church's Change Work Orders.** Change Work Orders only affecting the Church Space may be approved by the Church's Building Committee and the costs associated with such Change Work Orders shall be added to the Church's Construction Costs under Section 4.12 of

the Master Agreement. A Change Work Order or Change Work Orders to the Church Space that increases the overall budget of the Church Space by at least 10% in the aggregate is/are subject to a veto by the Society's Building Committee in the absence of the Church providing evidence to the satisfaction of the Society, acting reasonably, of its ability to pay the additional costs.

- 3.6 **The Society's Change Work Orders.** Change Works Orders only affecting the Society Space may be approved by the Society's Building Committee and the costs associated with such Change Work Orders shall be added to the Church's Construction Costs under Section 4.12 of the Master Agreement. A Change Work Order or Change Work Orders to the Society Space that increases the overall budget of the Society Space by at least 10% in the aggregate is/are subject to a veto by the Church's Building Committee in the absence of the Society providing evidence to the satisfaction of the Church, acting reasonably, of its ability to pay the additional costs.
- 3.7 **Good and Workmanlike Manner.** The Building Committee shall oversee that all operations are conducted diligently, in a good and workmanlike manner, in accordance with good construction practice and all applicable governmental regulations.
- 3.8 **Accounts and Records.** The Building Committee shall keep and maintain true and correct books, records and accounts with respect to the development and progress made and the conduct of operations. The Building Committee shall, upon request of the Parties, make available and permit the Parties during normal business hours to inspect such books, records and accounts and to make extracts or copies therefrom and thereof, and to audit the Building Committee's books, records and accounts.
- 3.9 **Quarterly Reports.** The Building Committee shall provide quarterly (or such other period as agreed to by the Parties) operating reports to the Parties with respect to the Project, which shall include, without limitation, the following:
- i. bank reconciliation;
 - ii. sales reports;
 - iii. cheque register;
 - iv. monthly, unaudited financial statements;
 - v. cash flow statements;
 - vi. variance reports from budgeted amounts; and
 - vii. general ledger and bank draw records.
- 3.10 **Building Committee Not to Encumber Land.** Except as set forth herein or in the Master Agreement (namely, the Permitted Encumbrances, the Permitted Development Encumbrances and the Construction Mortgage), the Building Committee shall keep the Lands and the Project free from liens and encumbrances resulting therefrom, unless there be a *bona fide* dispute with respect thereto.
- 3.11 **Compliance with Laws.** The Building Committee shall comply with all regulatory requirements concerning employment insurance, workers' compensation, and occupational health and safety with respect to workers employed throughout the development of the Project.

- 3.12 **Insurance Requirements.** Without in any way limiting the obligations or liabilities of the Society's Building Committee, the Society's Building Committee shall, prior to the commencement of the Project, hold or caused to be held with a reputable insurance company or companies, and thereafter maintain or cause to be maintained for the development of the Project and benefit of the Parties and their respective directors, officers, servants, consultants, agents and employees, comprehensive general liability insurance with an inclusive bodily injury, death and property damage limit of \$5,000,000.00 per occurrence, general umbrella coverage, Course of Construction Insurance and General Liability coverage.
- 3.13 **Further Duties of the Building Committee.** Without limiting any other provisions of this Operating Procedure, the duties of the Building Committee shall include the following:
- (a) Pre-Construction
 - i) Develop preliminary design;
 - ii) Hire project consultants;
 - iii) Co-ordinate the preparation of project plans and specifications;
 - iv) Obtain all required permits and approvals;
 - v) Prepare and maintain master schedule;
 - vi) Prepare preliminary budget;
 - vii) Develop specifications and tender documents;
 - viii) Tender the project;
 - ix) Award contracts;
 - x) Prepare contracts (Contract administration); and,
 - xi) Maintain budget based on the tender process.
 - (b) Construction Planning
 - i) Arrange for all temporary services and structures;
 - ii) Establish site safety policy and program; and,
 - iii) Insure that all required insurance is in place in accordance with Section 3.12.
 - (c) Construction Phase
 - i) Supervise all on site activity (On site supervisor, assistant supervisor, and general labour are "Construction Costs". The requirement of all site labour shall be determined by the Building Committee);
 - ii) Regularly update the project schedule;
 - iii) Approve all trade billing for accuracy as to amount billed for and to the quality of the work performed;
 - iv) Maintain project job cost information;
 - v) Prepare cash flow reports and mortgage draw reports as required;
 - vi) Administer all mortgage draws; and,
 - vii) Keep any construction contracts in good standing.

ARTICLE 4 ACCOUNTING AND RECORDS

- 4.1 **Separate Accounting by the Society.** The Society shall maintain accounting and financial records with respect to the Project separately from those kept by it with respect other to

operations and projects.

- 4.2 **The Society's Administration of Accounts.** The Society's Building Committee shall be in control of the Project Account and Construction Financing draws.
- 4.3 **The Use of the Society's Books Regarding Financial Default.** Books and records kept by the Society's Building Committee for the development of the Project shall constitute *prima facie* proof of any financial default hereunder, subject, however, to the rights of inspection and audit provided for elsewhere in this Agreement.
- 4.4 **The Society's Construction Draw Account.** The Society shall keep a separate account for the funds received from the Construction Financing draws or other funds from the Project Account and shall use that account solely for the Project and shall not commingle other such funds in this account.
- 4.5 **The Church's Initial Funding Account.** The Society shall keep a separate account for the Church's Initial Funding Account or other funds from the Project Account and shall use that account solely for the Project and shall not commingle other such funds in this account.

SCHEDULE "C"
Option to Purchase

Schedule "D"
Contract of Purchase and Sale

**Schedule “E”
Strata By-Laws**

Schedule "F"
Lease

Schedule "G"
Proposed Strata Plan