

REVISED LETTER OF INTENT FOR THE JOINT VENTURE

May 27, 2010

Between

Squamish United Church (the "Church")
38014 Fourth Ave.
Squamish, BC V8B 0A3

And

Sea to Sky Community Services Society (the "Society")
38144 Second Ave.
Squamish, BC V8B 0A7

Re: Formation of Joint Venture

The purpose of this revised letter of intent (the "Revised Letter of Intent") is to:

- a) express the parties mutual understanding as to develop together a new building to house both the Church's, the Society's and third parties programs, (the "Hub"). These matters are set out under the heading **BACKGROUND**;
- b) set out points of consensus to date to proceed to develop the Hub. These matters are set out under the heading **PROCESS**; and
- c) set out guiding principles for the parties to use each other's respective portions of the Hub once it is developed. These matters are set out under the heading **OPERATIONS Agreement**.

BACKGROUND

The Church owns five contiguous city lots within the downtown area of the District of Squamish (the "Property");

The Church will be better able to meet both its needs and Mission Statement (a copy of which is attached hereto and marked as Appendix 1) if it becomes joint venturer with the Society, as the two organizations together can build a larger and more operationally efficient shared use building than either could build or afford on its own.

The Society has an opportunity to gain stability by owning a portion of a building, the

Hub, and as such will be better able to serve the community.

Therefore, the parties are pursuing this project as they can foresee mutual benefits. The Society will benefit from the fact that the Church is providing the Property for the Hub at no cost to the Society. The Church, during the life of the Hub, will benefit from the use of facilities owned by the Society (at little or no cost) for church activities.

The parties are both concerned that the community understands that both the Church and the Society are distinct entities and are in no way merging or forming a partnership.

PROCESS

Letter Not Binding

This letter is not intended to create any legally binding obligation on either party, except as specifically set out under the sub-heading, Finances. This entire transaction is subject to the negotiation and execution of binding legal agreements.

Form of Ownership of the Hub

The parties intend to develop the Hub by:

- a. Commencing the initial planning of the Hub, including performing the appropriate investigation and planning of the Hub, as described as the Soft Costs and financial considerations as further set out under the sub-heading, Finances;
- b. Negotiating the Master Joint Venture Agreement;
- c. Transferring the Property to the Society, taking back an Option to Purchase as a form of security;
- d. The Society will obtain appropriate commercial financing, without guarantees of the Church, and build the Hub under the direction of the Building Committee;
- e. The Church and the Society will enter a contract of purchase and sale for the purchase of their strata lot(s) in the Hub for a fixed price based on the proportionate costs of construction, inclusive of Soft Costs;
- f. The Church and Society will enter into a space sharing agreement for the space in the Hub to be used by both parties; and
- g. The parties shall agree on appropriate strata bylaws for the administration, care and maintenance of the common property.

Both of the Church and Society shall appoint 3 members to a building committee ("Building Committee") to oversee the process and report back to their constituents as required. The initial Church appointees to the Building Committee shall be:

-Peter Gordon;

- Ken Tanner; and
- Bert Ionson.

The initial Society appointees to the Building Committee shall be:

- Shawn Jones;
- Tracey Kliesch; and
- Lois Wynne

Upon the Society and the Church being satisfied during the initial planning stage of the viability of the Hub and the structuring set out in this Revised Letter of Intent, the next step in the Process shall be to settle the form of a Master Joint Venture Agreement to address both the building phase and the operation phase of the Hub, which shall have as schedules settled forms of:

- a. the Option to Purchase;
- b. the Contract of Purchase and Sale;
- c. the Strata Bylaws; and
- d. the Space Sharing Agreement;

and shall include provisions relating the decision making process for the development of the Hub, primarily through the Building Committee and relating to the financing matters of the Hub.

Upon signing of the Master Joint Venture Agreement; the Option to Purchase; the Contract of Purchase and Sale; and the Space Sharing Agreement, and upon confirmation of appropriate commercial financing committed, the Church shall transfer the Property to the Society subject to the Option to Purchase.

The parties intend that the Hub is to be built in such a way as to communicate to the Squamish community that these two organizations are separate organizations while still allowing shared use of some portions of the Hub for community organization use.

Finances

This sub-heading addresses the financing of the initial planning stage of the Hub until either the execution of the Master Joint Venture Agreement or the termination of this Revised Letter of Intent by either party by written notice to the other party. The Church and the Society will share the general planning costs ("Soft Costs") equally until allocated otherwise in the Master Joint Venture Agreement. These Soft Costs include legal surveys, geo-technical studies, architects, engineers, and other planning costs the parties agree to in advance. Before the execution of this Revised Letter of Intent both the parties shall provide accounts for all expenses incurred to date for Soft Costs for approval. After the execution of the Letter of Intent, all of the contracts and expenses related to Soft Costs shall be approved in advance by a majority decision of the Building

Committee.

The parties agree to each deposit \$20,000 into a dedicated bank account (the "Account") on execution of this Revised Letter of Intent. The account shall be administered by the Society but shall require both a signature from a Church Building Committee member and a signature from a Society Building Committee member for any withdrawals or cheques.

Upon establishment of the Account and the Building Committee the parties shall reimburse receipted Soft Costs already paid for by each party relating to the development of the Hub. The parties shall contribute such further funds equally to the Account to meet Soft Costs as they reasonably fall due. If the joint venture should terminate prior to the execution of the Master Joint Venture Agreements, the parties will distribute remaining funds in the Account equally or contribute sufficient fund equally to cover all remaining Soft Costs, as the case may be. The portion of this Revised Letter of Intent under the sub-heading, Finances, will form a binding contract upon the parties signing this Revised Letter of Intent.

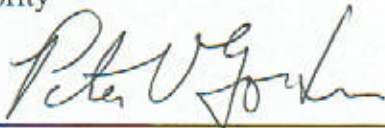
All financial arrangements for the construction of the Hub will be determined and secured prior to construction commencing.

OPERATIONS AGREEMENT


Prior to commencement of construction the parties will negotiate agreement on matters relating to the operations detailing the specifics of the shared use of each others space and the management of common property. These points of agreement shall be contained in the Strata Bylaws, as they relate to maintenance and management of strata common property, and in the Shared Space Agreement, as they relate to the usage and maintenance of shared space. Both the Strata Bylaws and the Shared Space Agreement are intended to be comprehensive enough to forestall disputes between the parties and will include clear dispute resolution provisions. The Shared Space Agreement will be registered on title as a Lease if its terms make it possible and contain comprehensive protections against changes in ownership in any event.

Signed

For Squamish United Church

Signature of Authorized Signing Authority 	Name of Authorized Signing Authority (please print) <i>Peter V. Gordon</i>
Position CHAIR, BOARD OF TRUSTEES	Date signed (YYYY/MM/DD) <i>May 27, 2010</i>

For Sea to Sky Community Services Society

Signature of Authorized Signing Authority 	Name of Authorized Signing Authority (please print) <i>May 27, 2010</i>
Position PRESIDENT	Date signed (YYYY/MM/DD)

Appendix 1

Squamish United Church – Mission Statement

To be an inclusive community serving God's world by providing leadership and a Christian presence that serves both the congregation and the wider community.