

AGREEMENT

Dated for reference this 27 day of MAY, 2005

Between: The Osprey Community Foundation, a foundation subsisting under the Laws of Canada, having its registered office at Nelson Community Credit Union, 501 Vernon Street, Nelson, B.C. V1L 4E9

And: The Community Fund of North Kootenay Lake Society, a society Subsisting under the laws of British Columbia, having its registered Office at Room 21, Langham Cultural Centre, 447 "A" Avenue, Kaslo, B.C. V0G 1M0

Whereas:

A. The Osprey Community Foundation (hereinafter "OCF") is a community foundation and federally charity established to serve the philanthropic needs of the City of Nelson and Areas E&F.

B. The Osprey Community Foundation has the following charitable purposes As set out in the foundation's article of incorporation, page 1, III....

The objects of the Corporation shall be carried out primarily, but not exclusively, Within the communities of the West Kootenay and shall be to receive and maintain a fund and to apply all or part of the principal therefrom, by way of grants program to qualified donees, as defined in the Income Tax Act (Canada), in furtherance of the following charitable purposes:

- (a) to support educational programs and library services generally and at public and private educational institutions including, without limitations, programs that build individual citizens' capacity for leadership and effective participation in community life;
- (b) to promote and advance social and health programs and activities that contribute to the development of healthy communities;
- (c) to support and advance community heritage, local culture traditions and the arts including, without limitation, theatre, dance, literature, film and video, music, crafts, painting and sculpture;
- (d) to encourage and support innovative approaches to community based environment; and
- (e) to support and advance such other complementary purposes of a charitable nature not inconsistent with these objects

C. The Osprey Community Foundation has the goal of fostering the development of similar Philanthropic goals in neighbouring geographic areas.

D. The Community Fund of North Kootenay Lake Society (hereinafter "CFNKLS") is a B.C. Registered Society established to serve the philanthropic needs of North Kootenay Lake Area including Kaslo.

E. The CFNKLS has the following purposes as set out in the society's articles of Incorporation (Form 1 Society Act Constitution),

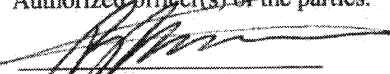
- a) To foster and promote awareness and appreciation for community-based philanthropy
- b) To invite contributions and promote fund development
- c) To consider grant requests and recommend to the Osprey Community Foundation the grants to be awarded in Kaslo and Area "D" of the Regional District of Central Kootenay

- F. The Osprey Community Foundation holds endowment funds in the name of the Community Fund of North Kootenay Lake.
- G. The OCF and the CFNKLS are desirous of establishing a relationship whereby The CFNKLS will assist the Osprey Community Foundation in raising capital within the Fund and disbursing the income from the Fund.


NOW THEREFORE THIS AGREEMENT WITNESSETH THAT THE PARTIES AGREE AS FOLLOWS:

1. The CFNKLS will at all times maintain charitable purposes that correspond with the purposes of the OCF.
2. The CFNKLS will at all times govern it's activities respecting the Raising of capital within the Fund and disbursements of earnings from the Fund in accordance with OCF policies as may be in effect from time to time.
3. All funds received to the credit of the Fund shall be deposited by the OCF With the Vancouver Foundation, in Vancouver, B.C.
4. The CFNKLS will promote philanthropy and promote the Fund in the North Kootenay Lake Area to be defined as Kaslo and Regional District of Central Kootenay Area D.
5. The CFNKLS will serve as a fund specific granting committee of the OCF for the purposes of accepting, reviewing and making recommendations to the OCF Board respecting the disbursement of income from the Fund. Furthermore, the CFNKLS agrees to keep such records in respect of the Society's granting recommendations and procedures, as the OCF may from time to time direct to kept.
6. Disbursement of income from the Fund will be made directly from the OCF to the grant recipient or sponsoring agency.
7. In the event of disagreement between the OCF and the CFNKLS regarding the pursuit of this agreement, the Parties agree that they shall attempt to resolve the disagreement through fair-minded discussion, including mediation, but in the event the Parties are unable to agree, the OCF shall have final authority to decide on any and all matters arising under this agreement.
8. This agreement is subject to termination by either Party upon 30 days written notice to the other party; delivered to the Party's registered office.

IN WITNESS WHEREOF this agreement was executed by the duly Authorized officer(s) of the parties.


Osprey Community Foundation,
Per: Bruce Morrison, President

Date: May 27 2005


Community Fund of North Kootenay
Lake Society,
Per: David K. Stewart, President

Date: June 2 / 2005