

Memorandum of Understanding

between:

All Saints' Anglican Church Westboro

hereinafter "All Saints' Westboro"

- and -

First United Church

hereinafter "First United"

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SECTION 1 - PURPOSE OF THE MEMORANDUM OF UNDERSTANDING

The purpose of this Memorandum of Understanding is to set out the terms of the partnership between All Saints' Westboro and First United (hereinafter together referred to as "the parties" or "the partners" or the "churches" or "parish/vestry/congregation").

The first part of this Memorandum of Understanding contains the terms to be included in a contract in law. In particular, Sections 1-9 should be binding upon All Saints' Westboro and First United, their successors and assigns, and either party shall be entitled to rely upon these terms in any subsequent dispute.

The second part of this Memorandum of Understanding, the Living Agreement, contains statements of values, commitments and relationship. These statements may be unenforceable at law, but constitute a solemn covenant between the parties. The legal agreement should be interpreted in light of these statements of intention. It also outlines more detailed and practical arrangements of how to implement a legal agreement e.g. space allocation, which may change over time as the parties agree.

First United Congregation and All Saints' Westboro Vestry as well as the Ottawa Presbytery of the United Church of Canada and the Anglican Diocese of Ottawa have approved this Memorandum of Understanding, and it forms the basis for a legal agreement between the parties.

SECTION 2 - PRINCIPLES OF THE PARTNERSHIP

As good stewards of their resources, All Saints' Westboro and First United are in partnership to strengthen their capacity for ministry and reduce costs through cost sharing.

As Christian churches, All Saints' Westboro and First United are called to be members of the Body of Christ, the worldwide Christian Church. The parties seek to be an example of ecumenical relations in Ottawa and beyond.

All Saints' Westboro and First United recognize that they are members of different denominations, the Anglican Church and the United Church of Canada respectively. In all doctrinal matters, All Saints' Westboro will continue to be governed by the canons of the Anglican Diocese of Ottawa, and First United will continue to be under the oversight of the Ottawa Presbytery of the United Church.

All Saints' Westboro and First United will respect the right of each to conduct sacraments, liturgies, worship and congregational life according to their own theology and doctrine, within the supervision of the respective larger denomination. These matters include, but are not limited to, Eucharist, baptism, weddings, funerals, and confirmation.

In all partnership matters, All Saints' Westboro and First United shall be guided by the Partnership Values attached as Appendix A to this Memorandum of Understanding.

In all other matters, All Saints' Westboro and First United will operate independently and retain their own governance structures. Nothing in this Memorandum of Understanding prevents All Saints' Westboro or First United from changing its organizational structure.

SECTION 3 - GOVERNANCE OF THE PARTNERSHIP

The management of the partnership will be carried out by the Partnership Management Committee (PMC).

The day-to-day management of minor issues will be handled by clergy and administrative staff. Clergy will handle the day-to-day direction of shared staff.

Partnership Management Committee

Composition of PMC: The Composition will be equal in number and balanced to include incumbent priest (All Saints' Westboro) and minister (First United); senior warden (All Saints' Westboro) and chair of Council (First United); two members from each congregation/vestry to be named by the respective partners. The treasurer (All Saints' Westboro) and chair of finance (First United) will be non-voting resource people to the committee unless identified as one of the voting members for their respective congregation. The committee has the prerogative to determine how best to conduct its business, including how the committee will be chaired. The PMC will meet as needed and generally between six and ten times each year.

Mandate of PMC:

The mandate includes, but is not limited to, the following:

- Oversee all aspects of the partnership;
- Oversee the creation, mandate, work and duration of task specific committees;
- Approve and oversee the expenditure of funds that fall within the spending purview of the partnership, seeking further approval as necessary;
- Develop, approve and implement policies and procedures to guide the partnership;
- Encourage and support the implementation and growth of the partnership;
- Ensure the "Building Improvement Plan", as well as the "Major Capital Improvement Plan", proposed by the Joint Property Committee meets the needs of the partners and recommend this plan to the Corporation and Vestry of All Saints' Westboro and to the Council of First United;
- Oversee the usage of space
- Solve problems and manage conflict, including space, property and staff-sharing issues;
- Review on an ongoing basis the implementation of the partnership and oversee any required adjustments;
- Conduct a formal evaluation of the Partnership at least once every five years.
- Develop communication strategies to keep both congregations informed of the activities and progress of the partnership including the preparation of an Annual Partnership Report, to the Vestry of All Saints' Westboro and the Congregation of First United

PMC Sub-Committees:

The PMC may create sub-committees or task specific committees as it sees fit.

Jointly Developed Covenants:

All Saints' Westboro and First United will manage their relationship by following jointly developed covenants, policies and procedures based on the values of respect, fairness, openness, transparency, and a commitment to partnership growth, in the areas outlined below:

- Conflict resolution, mediation, and arbitration [Section 7 and Appendix H];
- A common communication policy in support of the partnership [Appendix I];
- Structures and processes for decision-making [Appendix J];
- Policies to be jointly developed on conflict of interest guidelines, criminal record checks for volunteers and staff dealing with vulnerable people and confidentiality and security of documents [Appendix K]; and,
- Such other policies and guidelines as the Partnership Management Committee may deem necessary.

SECTION 4 – GROWTH OF THE PARTNERSHIP

All Saints' Westboro and First United commit to partnership development to strengthen their capacities for ministry and to create a shared sense of community. The Partnership Management Committee shall be responsible for carrying out this intention

In partnership, both church communities affirm their intent to seek opportunities over time to create cohesive bonds of friendship, solidarity and collaboration that transcend denominational and church community boundaries. Together, All Saints' Westboro and First United will explore how the partnership can be deepened and strengthened by developing a sense of community among members and adherents of both church communities through sharing activities and events of mutual interest and by developing some joint outreach activities.

SECTION 5 – SPACE SHARING AND BUILDING MANAGEMENT

All Saints' Westboro holds the building and property at 347 Richmond Road on behalf of the Bishop and the Incorporated Synod of the Diocese of Ottawa, and retains overall responsibility for it, including, but not limited to, the maintenance and capital improvements required to keep its buildings and facilities in good repair and is committed to maintaining the property to acceptable standards.

Property ownership imposes on All Saints' Westboro certain accountability obligations relating to the operational safety of the building and other legal requirements. Therefore, the final decisions with respect to the Building Improvement Plan and the Major Capital Improvement Plan rest with the Vestry and Corporation of All Saints' Westboro. Such final decisions must be consistent with all other sections of the legal agreement

All Saints' Westboro commits to consult closely with First United on the development of the Building Improvement Plan and the Major Capital Improvement Plan and the means to minimize disruptions occasioned by construction and repair activities.

First United has the right to full use and enjoyment of the buildings, grounds and facilities at 347 Richmond Road with the exception of All Saints' Westboro's choir room and clergy offices. In addition, All Saints' Westboro shall provide for the exclusive use of First United: a minister's office, a choir room and two staff parking spaces. All Saints' also commits to sharing Sunday/Church School rooms and to providing space for administrative and other staff. (see Appendix E). The Partnership Management Committee may change these entitlements as required by the changing space needs of the two partners.

All Saints' Westboro and First United will consult and collaborate on the hanging of banners and other meaningful items in the nave/sanctuary.

The Joint Property Committee (JPC) shall manage the maintenance and upkeep of All Saints' Westboro's buildings, grounds and facilities to ensure that the present and future accommodation requirements of both parties are fully met. The JPC shall recommend annually a Building Improvement Plan and, as required, the Major Capital Improvement Plan as set out in Appendix D.

SECTION 6 – FINANCIAL COMMITMENTS OF THE PARTNERSHIP

The following financial commitments may be adjusted by mutual agreement and must, at minimum, be reviewed every five years. Amendments must be in writing and appended to this Memorandum of Understanding, and are enacted once approval is received from the Anglican Diocese and the Ottawa Presbytery.

Operating Costs

All operational costs incurred to support the day-to-day operations, maintenance and upkeep of All Saints' Westboro buildings and the rental / leasing of shared equipment shall be shared on a 50/50 basis. Reimbursement for all payments shall be made on a demand basis to the congregation which has incurred the expense from the other. First United will reimburse All Saints' Westboro monthly on the basis of actual payments made by All Saints' Westboro the previous month. The treasurers of All Saints' Westboro and First United may choose to streamline this process if they see a need. (See Appendix G for details of shared costs).

Building Improvements and Major Capital Improvements

To contribute to the cost of building improvements and repairs as well as major capital improvements, All Saints' Westboro and First United establish the following two funds.

Building Improvement Fund: An annual budget of \$30,000 for building improvements will be deposited into said Fund and shared on a 50/50 basis. This Fund will be held in trust by All Saints' Westboro and will be managed by the Joint Property Committee.

First United will transfer allocated funds to All Saints' Westboro on a quarterly basis. Unspent amounts within a fiscal year are carried over into the next year.

Major Capital Improvements Fund: An annual budget of \$50,000 for major capital improvements will be shared on a 60/40 basis (All Saints' Westboro 60% and First United 40%). Each congregation is required to designate the funds and maintain the balance on their books, and must be prepared to expend the funds at the time of the expense. The fund includes but is not limited to the following five items which are identified as items to be funded by this Major Capital Improvements Fund: i) Roof Replacement (work occurred in 2010 and agreement regarding pre-payment is outlined in appendix F); ii) floor replacement for nave/sanctuary; iii) boiler replacement; iv) floor heating system in the nave/sanctuary; and v) major electrical upgrade.

As All Saints' Westboro holds the buildings and property at 347 Richmond Road on behalf of the Bishop and the Incorporated Synod of the Diocese of Ottawa, improvements once completed shall accrue to All Saints' Westboro and the Diocese of Ottawa.

In the case of termination of the partnership, All Saints Westboro commits to reimburse any Major Capital Improvement payments made in excess of the normal yearly budgeted contribution already made by First United

Insurance

All Saints' Westboro and First United agree to share the costs for property and contents insurance (held by All Saints' Westboro) that is described as all risks of direct physical loss of damage including but not limited to flood, earthquake, sewer backup, theft and fire. First United agrees to carry tenant liability insurance equal to an amount that is applicable to All Saints' building as reflected in the certificate of insurance. Both parties agree to supply a copy of their insurance to the other party on an annual basis.

Space Rentals

All fees for weddings and funerals are at the discretion of the clergy of the individual churches and to the benefit of the church and/or clergy conducting the service.

All other rental revenues and expenditures shall be shared on a 50/50 basis. The PMC is responsible for the establishment and oversight of rental policies and fees (see appendix G).

Partnership Fundraising Income

Income from jointly planned and implemented fundraising activities shall be shared on an agreed upon basis.

SECTION 7 – CONFLICT RESOLUTION

All Saints' Westboro and First United agree to the following four-step process to address conflict and resolve disputes [See Appendix H]:

1. Informal discussion;
2. Reference to PMC for resolution or referral to step three;
3. Mediation by a third party; and,
4. Binding arbitration by an outside neutral arbitrator.

Costs of mediation and arbitration shall be shared equally between the parties.

SECTION 8 – DURATION AND TERMINATION OF THE PARTNERSHIP

Duration

The duration of this Memorandum of Understanding and the accompanying Legal Agreement is in perpetuity, and is only superseded when and if the termination clause is invoked.

Termination

Either party may terminate the legal agreement by providing two years of formal notice to the other party, or with one year's notice (or shorter notice period as is mutually agreed), for the following reasons:

- Significant conflict between the two partners;
- Any actions which interfere with or preclude the exercise of the doctrines of either partner;
- Any financial default on the part of either partner; or
- Direction from the Bishop of the Diocese of Ottawa or from the Ottawa Presbytery in response to changing diocese/presbytery mission.

Prior to any formal notice of termination, the parties will thoroughly discuss these matters in the spirit of the agreement and will seek resolution through the conflict resolution process. The parties agree to inform each other of any processes of vision and mission or discussions at the Diocesan or Presbytery level that could impact the Partnership.

Once formal notice has been served, the parties will agree to the conditions of termination, including timing and compensation if appropriate. If they cannot agree on the conditions of termination, both parties agree to first seek mediation and then submit to binding arbitration.

SECTION 9 - MISCELLANEOUS PROVISIONS

Any amendment to the agreement requires approval by both parties in accordance with the decision-making governance of each partner: for All Saints' Westboro by the Corporation or Vestry with the approval of the Diocese of Ottawa and for First United by Council or Congregation with the approval of the Ottawa Presbytery.

The legal agreement may be signed in counterpart, and is effective the date last signed, except where otherwise noted in the legal agreement. All Saints' Westboro and First

United each warrant that they have all necessary approvals and authority to enter into a legal agreement.

A legal agreement shall be interpreted as if drafted by both parties. The rule of *contra proferentum* shall not apply.

THE LIVING AGREEMENT

The following appendices to the Memorandum of Understanding represent our best efforts to describe the values of the partnership and the way we have agreed to live and work together. These appendices also amplify the commitments made in the Memorandum of Understanding. It is agreed that the parties may modify these appendices by mutual agreement.

- Appendix A - Partnership Values
- Appendix B - Organizational Structure
- Appendix C - Partnership Growth
- Appendix D - Joint Property Committee
- Appendix E - Space Entitlements and Space Sharing
- Appendix E1 - Sketch Map of Office Locations
- Appendix F – Capital Improvements Pre-Payments
- Appendix G - Cost Sharing
- Appendix H - Conflict Resolution Guidelines
- Appendix I - Communication Principles
- Appendix J - Structures and Processes for Decision Making
- Appendix K - Other Policies and Procedures

APPENDIX A - PARTNERSHIP VALUES

The following principles were formulated to guide All Saints' Westboro and First United's partnership discussions as well as govern the ongoing relationship between the parties during the life of a legal signed partnership agreement.

Respect

As a partnership of equals, both partners will respect each other's right to the use and enjoyment of All Saints' Westboro's buildings, grounds and facilities, including the exercise of each partner's doctrines and faith traditions within them.

Fairness

Both partners will agree on common measures and governance structures to ensure that on an ongoing basis both the allocation of building space needed by each congregation and the sharing of associated building operation and maintenance costs is, and is seen to be, fair and equitable.

Openness

Both churches will inform and / or consult with the other partner whenever their actions and activities may in some way impact the other partner, and, where this makes sense, seek the support and involvement of the other partner in undertaking new activities.

Transparency

Both partners will take measures to keep their congregations fully informed about the partnership processes, to seek their congregations' input in the resolution of problems as these may arise, and encourage their members' involvement in growing and deepening the partnership.

Commitment to Partnership Growth

In entering into a legal partnership agreement, both church communities affirm their intent to seek opportunities over time to create cohesive bonds of friendship, solidarity and collaboration that transcend denominational and church community boundaries. Together, All Saints' Westboro and First United will explore how the partnership can be deepened and strengthened by developing a sense of community among members and adherents of both church communities through sharing activities and events of mutual interest and by developing some joint outreach activities. First United and All Saints' appreciate the support of the Diocese and the Presbytery and their commitment to the partnership growth of both church communities.

APPENDIX B - ORGANIZATIONAL STRUCTURE

Organizational Model for Partnership of All Saints' Westboro Anglican and First United Churches

Partnership Committees:

- Partnership Management Committee
- Joint Property Committee

Congregational Governing Bodies

- All Saints' Westboro Anglican Church (Corporation and Vestry)
- First United Church (Council and Congregation)

Judicatory Bodies

- Anglican Diocese of Ottawa
- Ottawa Presbytery of the United Church

APPENDIX C - PARTNERSHIP GROWTH

Introduction

All Saints' Westboro and First United commit to partnership development in order to strengthen their capacity for ministry and to create a shared sense of community. Partnership development will be coordinated by the Partnership Management Committee.

Mandate of Partnership Management Committee with respect to Partnership Growth

In consultation with committees from both church communities, the Partnership Management Committee will:

- Review and provide information on each church community's existing activities and encourage participation where appropriate;
- Plan, organize and promote joint social activities;
- Explore the possibility of undertaking some existing activities jointly (e.g. social justice and outreach activities, special events, youth and seniors' activities, special worship services);
- Explore the feasibility, and facilitate the development of new joint ministries;
- Address how joint activities should be organized and how costs should be shared; and,
- Plan, organize and promote activities that will enable the two church communities to increase understanding of each other's doctrines, traditions and structures.

In addition, the Partnership Management Committee will provide a report every fifth year which explains and evaluates the health of the partnership.

Mandate of Partnership Management Committee with respect to Space Usage:

The PMC will oversee the sharing of space by ensuring that:

- There is a comprehensive understanding of the space needs of user groups of the building;
- Put procedures in place to help user groups to resolve space occupancy and amenity problems and, if necessary, bring these to PMC for resolution;
- Implement and monitor the effectiveness of a fair and transparent space booking system;
- Educate user groups and congregation members on the critical importance of the use of this system;
- Facilitate the creation of 'joint support groups' that would take responsibility for the upkeep of the kitchen, the courtyard, nursery and other areas of mutual concern that need routine oversight;
- Identify the need for acquisition/replacement of shared furniture and equipment and garden plantings; and,
- On a regular basis, keep members of both congregations informed about planned property development initiatives as well as on building management accomplishments.

Ongoing Means to Nurture the Partnership

Each church community will identify and promote events and activities of interest to both church communities. We will know that we are welcome at each other's activities.

Both church communities will identify existing events and activities that could be jointly planned, promoted and implemented.

Before developing new programs or outreach initiatives, each church community will consult with the other early in the planning process to see if the other community is interested in participating and/or if the new initiative overlaps shared interests or will conflict with the use of shared resources.

Decisions to share already-established activities and to undertake new programs and initiatives together will be based on the degree of interest and participation expected from the respective church communities, the human and financial resources required, the priority given to the activity by each church community, and the potential for developing a sense of community and shared ministry. Decisions to share or jointly undertake activities will respect each church's doctrinal, liturgical and other differences. While we recognize that a shared approach may offer increased resources and creativity, some activities and programs may not be appropriate to bring together.

Collaboration on common programs and initiatives may include the contribution of funds, goods and/or volunteers by both church communities.

Instruments to promote partnership growth may include, but are not limited to:

- Distribution of information promoting activities and events of interest to both church communities;
- Periodic shared planning sessions to identify seasonal activities and events, that could be undertaken jointly, and to identify emerging interests and needs for new programs;
- Making available contact information and details of roles and responsibilities of church leaders in both communities to facilitate communication and coordination; and,
- Providing opportunities for leaders in both church communities to get to know one another.
- Communications to Anglican Diocese of Ottawa and the Ottawa Presbytery about the value and benefit of the partnership.

APPENDIX D - JOINT PROPERTY COMMITTEE

Overview

In support of the ministries of All Saints' Westboro and First United, the Joint Property Committee (JPC) will be responsible for the following functions under the aegis of the PMC:

1. Supporting the PMC's role of engendering an increased sense of stewardship for the buildings and how these are operated and used by the members of the two congregations;
2. Ensuring that the buildings, grounds and facilities are maintained in an optimum state of repair;
3. Planning, recommending and implementing major infrastructure repair and improvement projects, taking guidance from the Cooke Engineering Study;
4. Manage the annual expenditures from the Building Improvement Fund; and
5. Make recommendations for expenditures from the Major Capital Improvements Fund.

The JPC will report quarterly to the Partnership Management Committee and shall provide an Annual Report to both congregations

Composition of Committee

The Joint Property Committee will consist of at least three members from each of All Saints' Westboro and First United. The members may be elected or appointed at the discretion of the respective Church. The committee has the prerogative to determine how best to conduct its business, including how the committee will be chaired. A Joint Kitchen Committee will be a sub-committee of the Joint Property Committee and will have a minimum of two members from each congregation.

Mandate of Committee:

The mandate of the Committee incorporates the following:

a) Building Stewardship:

To support the Partnership Management Committee role to engender an increasing sense of stewardship for the building and to help members of both congregations to develop a sense of belonging to the place.

b) Ongoing Property Maintenance

The JPC's role with respect to routine and ongoing maintenance as well as annual improvements to the building:

- Assess property conditions and identify maintenance and repair requirements;
- Prepare for approval by PMC, an annual budget for the use of the Building Improvement Fund;
- Manage the implementation of this plan as established by the partners;

- Ensure that maintenance, equipment and systems checks are carried out in accordance with relative schedules;
- Manage risks relating to security, safety, property conditions, etc;
- Participate in hiring and supervision of the custodian and cleaning staff;
- Provide guidance to the custodian on his/her maintenance activities. Note: Day to day direction on set-up, cleaning and minor maintenance will be provided by both clergy. Formal supervision, evaluation and discipline will remain with All Saints' Westboro with input from First United since the custodian is an employee of All Saints' Westboro;
- Organize and supervise volunteer work parties, as required; and,
- Maintain the Property Maintenance Manual.

c) Major Capital Improvements

In consultation with and subject to approval of the Corporation and Vestry of All Saints' Westboro and the congregation of First United Church, the JPC, shall, with regard to major Capital Improvements:

- Research and recommend project options, priorities, budgets for consideration and approval of All Saints' Westboro Corporation and congregation of First United;
- Obtain estimates and represent the Corporation in contract negotiations for major capital improvements; and,
- Administer contracts to ensure compliance with content of agreements and take appropriate action, as required.

APPENDIX E - SPACE ENTITLEMENTS AND SPACE SHARING

General

All offices for ministers, priests and administrative personnel as outlined in the Map identified as Appendix E1.

All Saints' Westboro and First United shall retain their present choir rooms for their exclusive use.

Parking spaces for ministers, priests and administrative personnel shall be designated.

All other space and furnishings (i.e. play equipment, kitchen dishes) will be shared by All Saints' Westboro and First United, as described in this Appendix.

Church leaders and staff of First United will be provided with the necessary keys allowing them access to the buildings, the offices, meeting rooms, the church proper, etc. as appropriate, and taking into consideration existing security arrangements.

Shared Space

All other use of space (aside from Sunday Services and Specific Holy Days noted below) must be pre-booked in a single, common scheduling book by the administrator of All Saints' Westboro or First United. This includes:

- All ongoing parish/congregational activities (for example, regular committee meetings, group activities, outreach activity and weekday services); and,
- Single events, special services as well as weddings and funerals.

The rental agent will also follow this process for rentals by outside groups (see Space Rentals below).

Sundays

All Saints' Westboro shall hold its worship services at 8:00 a.m. and 9:30 a.m., and First United shall hold its worship service at 11:15 a.m.

First United shall have use of the Chapel from 9:30 a.m. to 11:00 a.m. except by prior arrangement. All Saints' Westboro shall have use of the Chapel from 11:00 a.m. to 1:00 p.m. except by prior arrangement.

First United will have the full use of rooms 5/6, 7/8, the nursery, common room and the youth room for its Sunday School except by prior arrangement.

Specific Holy Days

On Christmas Eve, All Saints' Westboro will hold worship services at 4:00 and 10:00 p.m., and First United will hold worship services at 5:45 and 8:00 p.m. The parties may agree to different arrangements in subsequent years.

On Holy Days that are not Sundays (e.g., Ash Wednesday, Good Friday), clergy and/or the Partnership Management Committee shall discuss allocation of times in the nave/sanctuary, or joint services, as desired.

Space Rentals

Available space, surplus to the needs of All Saints' Westboro and First United, may be rented (or provided gratis) for use by individuals and organizations who share the values and goals of both All Saints' Westboro and First United. These rental or space usage arrangements may be either on an ongoing basis or for just a single event.

All rentals and space usage agreements, other than for weddings and funerals described below, will be administered by the rental agent appointed by All Saints' Westboro and First United.

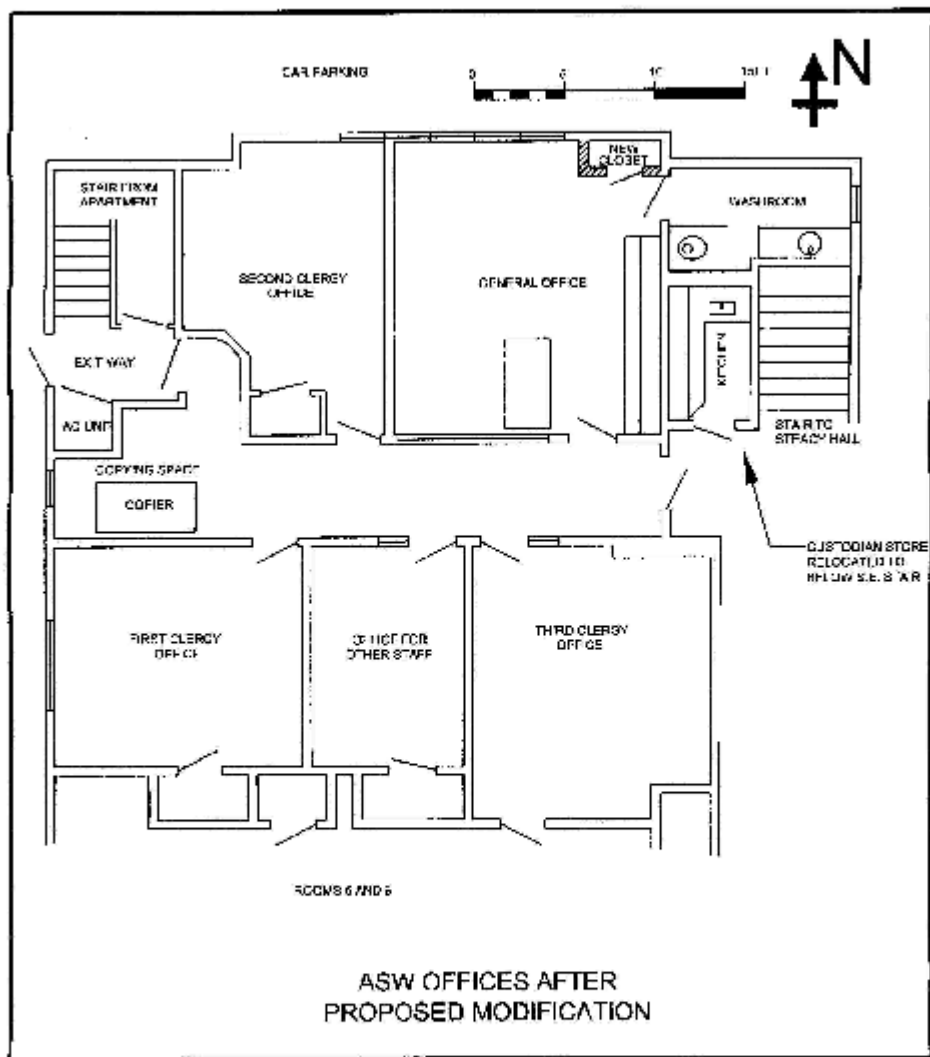
Policies on guidelines, fees, required Third Party Liability Insurance and processes for renting will be approved by the Partnership Management Committee and updated as required.

The rental agent has the authority to determine the acceptability of a prospective renter and to negotiate the need for Third Party Liability Insurance. Either partner may refer a decision to the Partnership Management Committee for review.

Rental fees for events other than weddings and funerals in the church/sanctuary will be set in accordance with the Rental Fee Schedule and shall be shared on a 50/50 basis.

The rental or usage of the church/sanctuary for weddings and funerals is entirely at the discretion of the clergy of the church conducting the service. All fees charged for weddings and funerals are at the discretion of the clergy of the individual churches and to the benefit of the church and/or clergy conducting the service. However, the church/sanctuary space required for such events needs to be pre-booked in the scheduling book.

APPENDIX E1 - SKETCH MAP OF OFFICE LOCATIONS



APPENDIX F – PAYMENTS TO MAJOR CAPITAL IMPROVEMENT FUND

In the course of the initial Partnership Agreement from April 1, 2007 to March 31 2012, All Saints' Westboro incurred capital expenses in addition to the \$150,000 of \$112,926.

It is agreed that in this partnership agreement beginning on April 1, 2012, \$112,926 be shared on a 60/40 basis (ASW – \$67,755.60 and First \$45,170.40) and First agrees to transfer this amount immediately upon signing this agreement. These amounts would be considered as the yearly budgeted amount that each congregation is required to set aside for the Major Capital Improvements Fund.

Hence the following credits are agreed to

| | Credit for First | Credit for ASW |
|------|------------------|----------------|
| 2012 | 15,000 | 22,500 |
| 2013 | 20,000 | 30,000 |
| 2014 | 10,170.40 | 15,255.60 |

Once these credited payments have been accounted for, both churches begin to set aside budgeted amounts within their own accounting systems and thus 'earn interest' for themselves until the money is expended.

APPENDIX G - COST SHARING

Operational Maintenance and Building Support

All operational costs for building support shall be shared on a 50/50 basis. These costs include but are not limited to:

- Caretaker's salary & benefits;
- Heating fuel;
- Hydro, water/sewer charges;
- Property Insurance for risks of direct physical loss of damage
- Alarm system;
- Snow plowing & removal;
- Elevator inspection & maintenance;
- Courtyard maintenance;
- Cleaning & washroom supplies;
- Rental/lease of shared equipment; and,
- Supplies for routine maintenance and repairs.

Photocopier

All Saints' Westboro's photocopier will be used by both parties, sharing equally the cost of the annual lease, and metering its usage so that appropriate copy charges and paper costs are allocated to each

Reimbursement

Reimbursement for all payments shall be made on a demand basis to the congregation, which has incurred the expense from the other. First United will reimburse All Saints' Westboro monthly on the basis of actual payments made by All Saints' Westboro the previous month. The treasurers of All Saints' Westboro and First United may choose to streamline this process if they see a need.

Insurance

All Saints' Westboro and First United agree to share the costs for property and contents insurance (held by All Saints' Westboro) that is described as all risks of direct physical loss of damage including but not limited to flood, earthquake, sewer backup, theft and fire. First United agrees to carry tenant liability insurance equal to an amount that is applicable to All Saints' building as reflected in the certificate of insurance.

Building and Capital Improvements

The Joint Property Committee will, in good faith, determine whether any repair or improvement should be considered as operational, expended from the Building Improvement Fund or the Major Capital Improvement Fund. The following is provided as a guideline for these decisions.

Definitions for Operational Expenses: These are routine maintenance items completed by the Church Custodian or by contractors or service personnel such as, but not limited to, plumbers, furnace technicians, elevator maintenance technicians, and locksmiths.

Definitions for Building Improvement Fund will focus on the areas outlined in the Building Condition Report prepared by Cooke & Associates. This includes masonry, windows, painting, ceilings, lighting, structural integrity, etc.

Definitions for Major Capital Improvements will focus on the areas outlined in the Building Condition Report prepared by Cooke & Associates. This includes, but is not limited to, roofing, heating system beneath the nave, boilers, electrical system, and nave flooring. Anything in addition to these five named items must be mutually agreed to by both parties.

Separate Items

All Saints' Westboro and First United shall maintain some items separately. These shall include but are not limited to telephone, office supplies, postage, coffee supplies. All other equipment and furniture in the shared space shall be available for use by both congregations.

Costs for Worship Space Redesign: The costs associated with Worship Space Redesign will be shared on a 50/50 basis and will be over and beyond amounts budgeted for Building Improvements or Major Capital Improvements unless mutually agreed to by both parties.

Future Costs

The cost of future alterations and purchases of equipment, and other items that are of benefit to both churches will be cost-shared as agreed to by PMC.

APPENDIX H - CONFLICT RESOLUTION GUIDELINES

There will be an agreed upon process for resolving conflicts between the partner churches or individual members of the partner churches. Conflict involving staff may follow this process if appropriate and if in accordance with the respective personnel policy of each partner. Conflict internal to each partner will be managed in the manner to which each partner is accustomed.

Conflict is inevitable. When we disagree with one another, we will do so without being disagreeable in a way that can damage our relationship with one another. As a basic principle, conflict should be addressed directly and in a timely manner, which is respectful of those involved and focused on resolving the problem. Each party in collaborative conflict resolution should feel empowered to speak their mind, feel listened to and feel they are a critical part of the solution. So also, each is obligated to respect and listen to others, try to understand their point of view; and actively work toward a mutual decision.

Any agreed upon process needs to include

- An opportunity for regular feedback (or evaluation);
- Modification with mutual consent;
- Adjustment and adaptation to changes over time.
- Members in conflict first deal with the concern with each other directly. Day to day management will provide support to resolve issues in a simple manner.

Where conflicts move beyond the above, and cause disruption in the partnership, the Partnership Management Committee or designated representatives may bring conflicted parties together to facilitate a process or may call upon the guidance of a neutral, trained facilitator.

An intra- or inter-group conflict or an organization-wide conflict may require the assistance of a neutral party. It is agreed that the Partnership Management Committee will secure an agreed upon mediator to facilitate resolution of the conflict when it is at an impasse. This mediator would preferably not be involved with either church congregation.

If the issue can still not be resolved, enforced resolution by an agreed upon neutral authority or arbitrator may be required to negotiate or compel an outcome that both parties agree to abide by.

The cost of mediation and arbitration will be shared.

APPENDIX I - COMMUNICATION PRINCIPLES

All Saints' Westboro and First United recognize the importance of effective, regular and, as appropriate, joint communication to the success of the partnership.

Both parties agree on the following communication principles:

- Communication to the congregations about any matters relating to the partnership is carried out jointly, regularly and with similar timing to each congregation.
- Communication is clear and open, people speak directly to one another and everyone has the same information.
- Communication is interactive. It allows for give and take, an exchange of ideas, and a spirit of cooperation. It requires careful listening and thought-out statements.

In order to facilitate communication, both partners are committed to identify and update available lists of appropriate contacts and their areas and level of responsibility.

APPENDIX J - STRUCTURES AND PROCESSES FOR DECISION MAKING (Principles for creating a process)

All Saints' Westboro and First United agree upon a standard process for making decisions that affect the partnership, which is clear and understood by all parties. This process applies to the Partnership Management Committee, sub-committees and other joint undertakings.

This process will include:

- An open, transparent process which is responsive to congregational input from both partners;
- A clear advance agreement, based on the nature of the decision, on how partnership decisions will be made;
- A clear understanding of who will be involved in making decisions and who will be consulted;
- A clear definition of each partner's lines of accountability and supervision is made available in written form to the Partnership Management Committee;
- A determination of how decisions will be communicated and by whom;
- A clear agreement on who has the authority to speak to decisions beyond simple reporting of those decisions; and,
- A clear agreement on how differences will be handled (See Mandate of Partnership Management Committee and Conflict Resolution Process).

APPENDIX K - OTHER POLICIES AND PROCEDURES

Conflict of Interest Guidelines

Conflict of Interest is any situation where an individual's private interests may be incompatible or conflict with duties and responsibilities; a conflict of interest exists whether or not an individual is actually swayed by the competing interest.

Conflicts of interest must be declared.

Those involved should refrain from placing themselves in any position in which there is a conflict of interest – actual, potential or perceived – between their responsibility to their congregation or the partnership and their personal interests or their responsibilities to themselves or others.

Policy on Confidentiality of Information and Security of Documents

All Saints' Westboro and First United agree to treat all personal information gathered for the purpose of partnership activities in accordance with the principles outlined in the Personal Information Protection and Electronic Document Act of Canada. All Saints' Westboro and First United will clearly identify the confidential nature of any shared information and documents and will treat all such information appropriately.