

## MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING dated this 28 day of October, 2018.

BETWEEN:

**UNITED CHURCH OF CANADA**  
("Edge")

- and -

**THE TRUSTEES OF Knox United Church OF THE UNITED CHURCH OF CANADA**  
("Knox")

This Memorandum of Understanding ("**MOU**") sets out the proposed terms and conditions of a potential collaboration between EDGE and Knox in respect of the redevelopment - of The Knox United Church on lands owned by Knox, municipally known as 567 Sackville Drive, Lower Sackville, Nova Scotia (the "**Lands**").

Knox and EDGE intend to enter into discussions and negotiations leading to certain definitive agreements in respect of the Project, such as a development agreement based upon the terms and conditions set out below. It is understood that this MOU is non-binding.

**KNOX**

Knox is the registered owner of the Lands, on which is located a church and associated community amenities. Knox wishes to redevelop the Lands of the Project and to manage or cause to be managed, the Project once complete.

**EDGE**

EDGE is responsible for Ministry Development within the United Church of Canada.

**Knox objectives**

Knox has identified the following key objectives for the Project:

To explore redevelopment of the Knox Property for the purpose of :

- 1 More effectively pursuing the Mission of Knox over the long term
- 2 To ensure the financial viability of Knox over the long term.

Each objective to be further defined by Knox with support from EDGE

**Development Plan**

Edge and Knox shall work together to complete a feasibility study and redevelopment plan for the Lands (the "**Development Plan**", and the project contemplated in the Development Plan shall be the "**Project**"). In so doing, the parties shall have the following responsibilities:

EDGE shall:

1. have overall responsibility for the creation of the Development Plan, which shall include:
  - (a) establishing the parameters of the proposed development with input from Knox;
  - (b) conducting a financial feasibility study to assess the likely extent of equity required to complete the development, the ability of the development to meet Knox goals and the potential for surplus proceeds from the development;
  - (c) with approval of the Knox Redevelopment Team, commissioning preliminary massing or architectural drawings to support the feasibility analysis; and

Should the feasibility analysis demonstrate a strong likelihood of success, in the opinion of both EDGE and the Knox Property Redevelopment Team, develop more detailed architectural and Landscaping concepts.

2. if applicable, with full consultation of the Knox Redevelopment Team, make all development applications with respect to the Project contemplated in the Development Plan;
3. liaise with all consultants (including the architect), and municipal authorities;
4. be responsible for any development fees incurred;
5. engage a surveyor for purposes of creating a survey detailing any encroachments; engage an environmental consultant for purposes of conducting a Phase I Environmental Site Assessment;
6. review title and complete any registrations desirable to delete any irrelevant registered instruments; and,
7. at its discretion, seek such approvals of appropriate Halifax Regional Municipality and Province of Nova Scotia authority, as may be required to permit the redevelopment and construction of the Project.

Knox shall:

1. fully co-operate with EDGE and shall execute all applications and other documents that may be reasonably required, and appropriate in the view of the Knox Redevelopment Team, by EDGE to complete the Project, and authorizing EDGE to act as agents of Knox, thereby permitting EDGE to act and make applications, on Knox behalf;

2. provide full disclosure and delivery of all materials affecting the Lands - including all leases, rights, contracts, title matters, etc.
3. The Knox Redevelopment Team shall act as a reference group to act as liaison between EDGE and the Congregation;
4. ensure that its trustees are properly appointed and that the business affairs of the congregation are in order, including all minutes documenting the appointment of trustees and directors; and
5. make such decisions as may be required or requested of it in an expeditious manner and without undue delay, noting specifically that any approvals required under this Agreement shall not be unreasonably withheld or delayed, it being agreed that Knox shall make its best effort to provide its decision within five (5) Business Days of a request for such decision or approval.

**Design and Approval Right**

EDGE shall keep Knox fully advised as to the progress of the Development Plan. The Development Plan shall be presented to Knox. Knox shall be entitled to approve or reject, or seek modifications of the Development Plan (the "**Approved Development Plan**" and the project contemplated in the Approved Development Plan shall be the "**Approved Project**"). The Approved Development Plan shall be subject to non-material change from time to time without the need for further consent of Knox.

**Developer Selection and Engagement**

EDGE will lead and manage a fair and transparent selection process, with full and extensive consultation with Knox, to select a developer partner for Knox approval. The process will be designed based on the nature of the Approved Project and will be evaluated on the basis of on pre-established criteria. Knox will be given an opportunity to participate in the selection process with Edge.

Following completion of the selection process, Edge then enter into discussions with, or propose a joint venture with the successful developer (a "**Development Partner**"), provided that the development is consistent with the Approved Project, with a view to the developer becoming responsible for the development of the Project and delivery of the Approved Project. In such circumstance, Edge would be further engaged as Knox development consultant with responsibility to manage the contract with the Development Partner and hold the Development Partner to account. Any agreement with a developer and approved by Edge shall be executed by Knox.

**Appropriate UCC Governing body Approvals**

Upon approval of the Development Plan, Edge shall prepare and submit the Development Plan Development Plan to the appropriate Governing Bodie(s) on behalf of Knox for approval and shall otherwise obtain any and all approvals required to the Development Plan within the United Church of Canada. Knox and Edge agree that they shall both be present at any presentation to the appropriate UCC Governing body. Knox shall execute the application to the appropriate UCC Governing body, or bodies.

**Development Process**

During the Development Process, amongst other things, EDGE shall:

- recommend, for Knox Redevelopment Team approval, the method of construction delivery and recommend a construction manager, design/builder or general contractor to Knox;
- act as an Owners representative under and development or construction contract, attend site meetings, reviewing draw requests, recommending cost consultants etc. to Knox;
- provide quarterly reports to Knox as to the progress of development and construction and, should any matter arise during construction which may impact Knox, shall immediately so inform Knox; and
- support Knox congregants' efforts in finding a temporary location to accommodate services during construction. Depending on the Development Plan, such relocation could be on a temporary or permanent basis.

**Operations**

Upon completion, it is intended that Knox manage, or cause to be managed, the Sanctuary Space, and all other space designated as "Knox Space" as defined within the project.

If the Approved Project includes an affordable housing component, EDGE shall be responsible for retaining a non-profit housing provider (the "Provider") who shall lease the Affordable Housing Component from Knox. Without limitation, Provider shall be responsible for, among other things:

1. Marketing and processing applications in accordance with the Contribution Agreement with the City.
2. Verifying income, determining rents including any rent-geared-to-income calculations as appropriate, and executing leases
3. Complying with the requirements of the Service Manager appointed under the *Housing Services Act*, and all continuing obligations under the Contribution Agreement.

**Fees**

The Financial Attachment to this MOU will be negotiated in detail before this MOU is signed, The document may indicate that EDGE shall be entitled to recover the following from the proceeds of the Project, which amounts shall be reflected in the Development Plan:

1. reimbursement of all costs incurred with respect to the development of the Project; and
2. an administrative fee of 1.5% to 5.0% of the overall cost of construction of the Project ( \$0 to \$250,000 5% ; \$250,001 to \$750,000 3% \$750,001 - \$2,000,000 2% ; \$2,000,001 1.5% )

For clarity, in the event the Development Plan is not approved, there shall be no fee or any reimbursement payable to Edge.

**Financing**

All financing for the Project shall be paid arranged by either Edge or the Development Partner.

**Surplus Proceeds**

The parties agree that provided the Project Objectives are satisfied, all excess proceeds from the Project shall be used to pay down Knox's mortgage with UCC, and any funds in excess after that, shall be paid to Knox.

**Milestones:**

Currently, the parties have targeted the following dates to achieve the following objectives:

- (a) Delivery of and agreed upon form of MOU by 28 Oct 2018 .
- (b) Completion of Development Plan for approval for 1 June 2019 .

***SIGNATURE PAGES FOLLOW***

**IN WITNESS WHEREOF**, the undersigned have duly executed this Memorandum of Understanding on the date first above written.

**UCC**

**THE TRUSTEES OF THE KNOX CONGREGATION OF  
THE UNITED CHURCH OF CANADA**

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title

Per: \_\_\_\_\_

Name:

Title:

Per \_\_\_\_\_

Name

Title

*I/We have the authority to bind the Corporation*

*I/We have the authority to bind the Corporation per a  
Congregational Motion dated 28 Oct 2008*