

THE UNITED CHURCH OF CANADA**MEETING OF THE SUB-EXECUTIVE OF THE GENERAL COUNCIL****MINUTES****Monday, January 12, 2009****(Teleconference Call)**

The Sub-Executive of the General Council of The United Church of Canada met from 2:00 p.m. EST until 2:20 p.m. on Monday, January 12, 2009, by teleconference call. The Moderator, The Right Reverend David Giuliano, presided.

ATTENDANCE

Voting Members: Cindy Désilets, David Giuliano, Fannie Hudson, Nora Sanders, Peter Short.

Regrets: Anne -Marie Carmoy, Dwaine Dornan, Amber Ing, Heather Leffler, Paul Reed, Chuck Scott, Allan Sinclair.

CONSTITUTING THE MEETING

The Moderator shared a prayer and constituted the meeting with the following words:

"Au nom de Notre Seigneur, Jésus-Christ, seul chef souverain de l'Église, et par l'autorité qui m'a été conférée par le 39ième Conseil général, je déclare ouvert, par la présente, le sous-exécutif du Conseil général et ses travaux dans l'intérêt du Royaume de Dieu."

"In the Name of Jesus Christ, the head of the Church, and by the authority vested in me by the 39th General Council, I hereby declare this meeting of the Sub-Executive of the General Council to be in session for the work that may properly be brought before it to the glory of God."

PROCEDURAL MOTIONS

Motion: Nora Sanders/Peter Short

2009-01-12-377

That Ian Fraser, Janet McDonald, and Kathy McDonald be the corresponding members for this meeting, and that Joan MacGillivray be the recording secretary for this meeting of the Sub-Executive.

Carried

Minutes of the Sub-Executive of the General Council

Regarding the minutes of December 11, 2008, it was noted that Rev. Bill Doyle will begin his appointment to the position of Conference Executive Secretary, Saskatchewan Conference as of July 1, 2009.

Motion: Cindy Désilets/Nora Sanders

2009-01-12-378

That the Sub-Executive of the General Council approve the minutes of the Sub-Executive of the General Council meeting held on December 11, 2008.

Carried

Gorge View Society, Victoria, BC (Appendix A)

Motion: Peter Short/Fannie Hudson

2009-01-12-379

That the Sub-Executive of the General Council authorize the execution and delivery of the documents required for the loan to The Gorge View Society from Canada Mortgage and Housing Corporation including but not limited to the Indemnity and Operating Agreement, the mortgage, and the Residential Rehabilitation Assistance Program Agreement and that discussions be held with The Gorge View Society in an effort to transfer title to their property from The United Church of Canada to the Society.

Carried

Signing Authority

Motion: Fannie Hudson/Cindy Désilets

2009-01-12-380

That the Sub-Executive of the General Council adopt:

a) Resolution A (Appendix B) – Officers and persons authorized to sign documents under seal of The United Church of Canada, and,

b) Resolution B (Appendix B) – Signing Officers for banking accounts and investment accounts.

Carried

The Moderator thanked everyone for being part of the call and adjourned the meeting at 2:20 p.m.

Moderator, David Giuliano

General Secretary, Nora Sanders

Appendix A

The Gorge View Society

Recommendation

The General Secretary, General Council proposes that

<p>That the Sub-Executive of the General Council authorize the execution and delivery of the documents required for the loan to The Gorge View Society from Canada Mortgage and Housing Corporation including but not limited to the Indemnity and Operating Agreement, the mortgage, and the Residential Rehabilitation Assistance Program Agreement and that discussions be held with The Gorge View Society in an effort to transfer title to their property from The United Church of Canada to the Society.</p>
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Background

- The Gorge View Society operates and administers a seniors housing facility in Victoria, British Columbia
- The United Church of Canada is the registered owner of the land occupied by the facility.

- The Society has obtained a loan from Canada Mortgage and Housing Corporation (CMHC) in the amount of \$428,773.00 which loan may be totally or partially forgiven by CMHC. Interest on the loan is payable at 8% per annum calculated half-yearly and annual payments of \$53,597.00 annually plus interest. The loan is for the purpose of completing mandatory health and safety repairs to all eligible and non-eligible units and common areas to the 11 buildings and 79 residential units in the complex. 79 units in the property will be rented to tenants with incomes below the income thresholds established by CMHC.
- The Church, as the registered owner of the lands, is required to provide CMHC with the first mortgage and the rental RRAP Operating Agreement.
- The Church has agreed with the Society to execute and deliver the mortgage and RRAP agreement to facilitate payment of the Loan to the Society as required by the CMHC.
- The Society acknowledges that it is jointly and severally liable with the Church for the observance and performance of all the obligations of the Borrower under the RRAP agreement and that it is the obligation of the Society to fulfill and perform all the obligations of the Borrower contained in the Mortgage.
- The Society acknowledges that it shall indemnify and save harmless the Church from any loss arising out of or connected with their failure to perform any of its obligations in the agreements.
- The Society has executed an Indemnity and Operating Agreement which contains all of these provisions.

Rationale

The Society is an incorporated ministry of The United Church of Canada. The Society came into existence in 1956 and some financial assistance was provided by The United Church of Canada to the Society as it began its work. The Society has managed its affairs throughout the last fifty years without the need to come to The United Church of Canada and has obtained loans previously without the Church's involvement, but requirements of CMHC have changed, and the registered owner of the land, the Church, must be party to all transactions for the loans to proceed.

The bylaws of the Society are not now in total compliance with the requirements for incorporated ministries, however, the Board has undertaken to bring them into compliance with the guidelines for incorporated ministries as soon as possible.

The bylaws provide that on its wind up or dissolution after payment of its debts and liabilities any funds remaining shall be given or transferred to the United Church of Canada or an organization promoting or developing low rental housing accommodation for senior citizens in Greater Victoria as may be decided by the members of the Society at the time of winding up or dissolution. That provision is unalterable.

Alternatives

In the alternative, the resolution of the Sub-Executive of the General Council could be withheld until the bylaws of the Society are brought into compliance with the guidelines for incorporated ministries.

Appendices

1. Indemnity and Operating Agreement (Draft is attached). The Society has executed the Agreement and that has been provided to our solicitor in Vancouver.
2. Rental RRAP Operating Agreement (Residential Rehabilitation Assistance Program) (Large document is available upon request). The Society has executed the Agreement and that has been provided to our solicitor in Vancouver.

INDEMNITY AND OPERATING AGREEMENT

THIS AGREEMENT made the _____ day of December, 2008.

BETWEEN:

THE GORGE VIEW SOCIETY,
a British Columbia society having an office at
11 Chown Place, Victoria, B.C. V9A 1H5
(the "Society")

AND:

THE UNITED CHURCH OF CANADA,
3250 Bloor Street, Toronto, Ontario M8X 2Y4
(the "Church")

WHEREAS:

- A The Church is the registered owner of the lands and premises situate at 13 to 92 Chown Place, Victoria, British Columbia which are legally described as: Parcel Identifier: 005-066-999 Lot A (DD270371), Section 10 and 11, Victoria District, Plan 11749 (hereinafter called the "Lands");
- B The Society operates and administers the senior housing facility on the Lands (the "Facility");
- C Canada Mortgage and Housing Corporation ("CMHC") has provided a loan for the benefit of the Society in regard to the Facility pursuant to the residential rehabilitation assistance program ("RRAP"). The loan in the amount of \$428,773.00 may be totally or partially forgiven by CMHC (the "Loan");
- D The Church, as the registered owner of the Lands, is required to provide CMHC with a first mortgage in the principal amount of \$428,773.00 with interest at 8% per annum calculated half-yearly and annual payments of \$53,597.00 annually plus interest in the form of a mortgage attached hereto as Schedule "A" (the "Mortgage");
- E The Church is required to provide to CMHC the rental RRAP Operating Agreement in regard to the operation and administration of the Facility in the form attached hereto as Schedule "B" (the "RRAP Agreement");
- F The Church has agreed with the Society to execute and deliver the Mortgage and RRAP Agreement to facilitate payment of the Loan to the Society on the terms set out in this Agreement;
- G The Society has agreed to enter into this Agreement to facilitate the granting of the loan;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the Church executing and delivering the Mortgage and RRAP Agreement, payment of the Loan to the Society and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the Society, the parties covenant and agree as follows:

The Church shall execute and deliver the Mortgage and RRAP Agreement to CMHC or its counsel as required by CMHC and facilitate payment of the proceeds of the Loan to the Society.

The Society shall execute and deliver the RRAP Agreement and acknowledges that it is jointly and severally liable with the Church for the observance and performance of the covenants and obligations to be performed by the Borrower in the RRAP Agreement. The Society acknowledges that it is solely responsible for the observance and performance of the operation and administration of the Facility which it shall operate and administer strictly in accordance with the requirements of the RRAP Agreement.

The Society further acknowledges that notwithstanding the fact that the Mortgage has been entered into by the Church as the registered owner of the Lands, it shall be the obligation of the Society to fulfill and perform all obligations of the Borrower contained in the Mortgage including specifically the obligation to make the payments of principal and interest required therein.

The Society covenants to the Church that it shall indemnify and save harmless the Church from and against any loss, cost or damage whatsoever arising out of or connected with any failure by the Society to perform any of the obligations of the Society contained in this Agreement.

The covenants and agreements of the Society in this Agreement are absolute and unconditional and will not be released, impaired or otherwise affected in any way by any of the following:

Any extension of time or indulgence which CMHC makes in favour of the Church in respect of the performance of any of the obligations of the Church pursuant to the Mortgage or RRAP Agreement;

Any waiver by CMHC of or neglect or failure of CMHC to enforce any of the terms or conditions of the Mortgage or RRAP Agreement; and

Any changes to the Mortgage or RRAP Agreement before or after the date of this Agreement and the Society acknowledges that CMHC shall have no obligation to advise the Society of any such changes.

No modification of this Agreement shall be effective unless it is in writing and signed by the Church and the Society.

This Agreement shall be construed in accordance with the laws of the Province of British Columbia and the courts of the Province of British Columbia shall have exclusive jurisdiction to deal with any matters or disputes that arise in respect of this Agreement.

Any notice to be given to the Church or the Society may be given by personal delivery or by registered letter, postage prepaid, and addressed to the party at the address shown on page 1 of this Agreement or such other address as the party may notify the other of in writing and any

notice given shall be effective on the day of personal delivery or three business days following the date of such posting, as the case may be.

This Agreement shall extend to and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF authorized officers of each of the parties have executed this Agreement.

THE GORGE VIEW SOCIETY

THE UNITED CHURCH OF CANADA

Appendix B

Origin: General Secretary

The General Secretary, General Council proposes that:

The Sub-Executive of the General Council adopt;

- a) Resolution A (attached) – Officers and persons authorized to sign documents under seal of the United Church of Canada, and,
- b) Resolution B (attached) – Signing Officers for banking accounts and investment accounts.

Authority and Actions:

These resolutions supersede resolutions previously adopted by the Sub-Executive and result from changes in personnel, specifically the retirement of Ron Olsen, Executive Officer, Finance, the appointment by the Executive of the General Council (November 2008) of William Kennedy to the position of Executive Officer, Finance, and the retirement of Mary May.

- a) Execution of documents under the seal of The United Church of Canada. The *Manual* section 515 provides that any two of the following officers: the Moderator, the General Secretary General Council, the General Council Ministers and the Executive Officer Finance, or any one of the foregoing together with any one of six other persons appointed by the Executive of the General Council, are authorized to execute documents under the seal of the United Church of Canada. Presently the six persons appointed are Cynthia Gunn, Kathy McDonald, Omega Bula, Mary May, Michael Burke, Daniel Benson. The General Secretary proposes that Harry Oussoren replace Mary May as one of the six persons appointed by the Executive.
- b) Signing Officers for banking accounts and investment accounts. The *Manual* section 524(n) provides that the Executive shall exercise general supervision and control of the unified plan of finance and section 524(w) provides the authority to the Executive to make rules and regulations for the transaction of its business. Presently, any two of Ian Fraser, Ron Olsen

and Michael Burke are authorized as signing officers for the United Church on bank accounts and facsimile signatures of any two of these persons are authorized to sign cheques for and on behalf of The United Church of Canada. The General Secretary proposes that William R. Kennedy replace Ron Olsen as one of the three persons so authorized.

Resolution A – Officers and persons authorized to execute documents under seal of The United Church of Canada.

BE IT RESOLVED that pursuant to Section 515 of the by-laws, the following are authorized to sign all documents under seal of The United Church of Canada:

Any two (2) of the following officers;

Moderator, The United Church of Canada
 General Secretary, General Council
 General Council Minister, Planning Processes
 General Council Minister, Programs for Mission and Ministry
 General Council Minister, Racial Justice and Gender Justice
 General Council Minister, Regional Relations
 General Council Minister, Resources for Mission and Ministry
 Executive Officer, Finance

Or any one of the foregoing officers together with any one (1) of the following persons;

Cynthia Gunn, Legal Counsel
 Kathy McDonald, Legal Counsel
 Omega Bula, Executive Minister, Justice, Global and Ecumenical Relations
 Harry Oussoren, Executive Minister, Congregational, Educational and community Ministries
 Michael Burke, Executive Minister, Ministry and Employment Policies and Services
 Daniel Benson, Executive Minister, Resource Production and Distribution

Resolution B – Signing Officers for banking accounts and investment accounts.

BE IT RESOLVED that pursuant to Sections 524(n) and 524(w) of the by-laws, the following are authorized as signing officers for The United Church of Canada – all accounts, and that facsimile signatures are duly authorized to sign cheques for and on behalf of The United Church of Canada:

Any two (2) of the following persons;

Ian Fraser, General Council Minister, Resources for Mission and Ministry
 William R. Kennedy, Executive Officer, Finance
 Michael Burke, Executive Minister, Ministry and Employment Policies and Services
 Teresa Ann Yohan, Accounting Manager