



The Diocese of Easton Property Management Guide



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The Episcopal Diocese of Easton

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Over the summer of 2007, representatives from the Diocesan Property Committee and the Standing Committee along with the Chancellor gathered together to address issues of property management in the Diocese of Easton. As a result, this Property Management Guide was produced as a resource to help congregations manage their property.

If you have questions, please contact our Diocesan Property Manager, Mr. William R. Russell, Jr. 410.778.0785 or wrussem1@verizon.net

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We are especially grateful to the Diocese of Newark who so generously allowed us to use their *Property Management Guide* as a resource. We offer them our profound thanks for permission to reprint sections relevant to the Diocese of Easton.

This publication and the form documents included in it are not intended to provide legal advice nor does the inclusion of the form documents mean to imply any legal responsibility or obligation on behalf of the diocese, its employees or its attorneys resulting from the use of such forms. Issues relating to the sale, leasing and use of property together with issues involving insurance coverage and property taxes are fact-specific. The resolution of any given issue or the negotiation of any lease or agreement for the use of property will depend upon a variety of factors. The forms included in this publication are provided only as samples of documents used in other situations and will need to be modified to apply to the specific situation confronting your church. You may need to consult an attorney as part of that process.

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1. Types of Churches and Property Implications

Types of Churches

In the Diocese of Easton there are four types of churches.

- ◆Parish
- ◆Aided Parish
- ◆Mission
- ◆Separate Congregation

For more information, see Diocesan Canons Title V Convocations, Cathedral, and Parochial Units (available on the Diocese of Easton website as listed in Appendix E).

The Trust Doctrine

The property of all four types of congregations is held in trust for the Episcopal Church through the Diocese regardless of how title to the property may be held.

This Doctrine is reflected in the National Canons:

National Canon I.7.3: No Vestry, Trustee, or other Body, authorized by Civil or Canon law to hold, manage, or administer real property for any Parish, Mission, Congregation, or Institution, shall encumber or alienate the same or any part thereof without the written consent of the Bishop and Standing Committee of the Diocese of which the Parish, Mission, Congregation, or Institution is a part, except under such regulations as may be prescribed by Canon of the Diocese.

National Canon I.7.4: All real and personal property held by or for the benefit of any Parish, Mission, or Congregation is held in trust for this Church and the Diocese thereof in which such Parish, Mission, or Congregation is located. The existence of this trust, however, shall in no way limit the power and authority of the Parish, Mission, or Congregation otherwise existing over such property so long as the particular Parish, Mission, or Congregation remains a part of, and subject to, this Church and its Constitution and Canons.

Dedicated and Consecrated Churches

In addition to the Trust Doctrine that relates to all church property, the National Canons also contain other rules that relate specifically to church or chapel buildings.

National Canon II.6.1: No Church or Chapel shall be consecrated until the Bishop shall have been sufficiently satisfied that the building and the ground on which it is erected are secured for ownership and use by a Parish, Mission, Congregation, or Institution affiliated with this Church and subject to its Constitution and Canons.

National Canon II.6.2: It shall not be lawful for any Vestry, Trustees, or other body authorized by laws of any State or Territory to hold property for any Diocese, Parish or Congregation, to encumber or alienate any dedicated and consecrated Church or Chapel, or any Church or Chapel which has been used solely for Divine Service, belonging to the Parish or Congregation which they represent, without the previous consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese. (See “Standing Committee” in Section 2, Who’s Who in Property Management.)

National Canon II.6.3: No dedicated and consecrated Church or Chapel shall be removed, taken down, or otherwise disposed of for any worldly or common use, without the previous consent of the Standing Committee of the Diocese. (See “Standing Committee” in Section 2, Who’s Who in Property Management.)

National Canon II.6.4: Any dedicated and consecrated Church or Chapel shall be subject to the trust declared with respect to real and personal property held by any Parish, Mission, or Congregation as set forth in Canon I.7.4. (See “The Trust Doctrine” earlier in this section.)

Basic Rules Concerning Property Based on Type of Church

Parish

- ◆Parishes hold property in the name of the various vestries subject to the National and Diocesan Canons.
- ◆Management of property is the responsibility of the clergy, wardens, and vestry.
- ◆Approval to sell, lease, or encumber (mortgage) portions of church property is subject to approval by the clergy, wardens, and vestry, the Bishop, and the Standing Committee.

Aided Parish and Mission

- ◆Title to property is held by the vestries of various congregations.
- ◆Management of property is the responsibility of the Bishop's Committee in consultation with the Department of Missions.
- ◆ Approval to sell, lease, or encumber (mortgage) portions of church property is subject to the approval of the Bishop's Committee, the Department of Missions, the Bishop and the Standing Committee.

2. Who's Who in Property Management

In the Diocese of Easton

Property Manager

The Property Manager is the primary person responsible for diocesan owned properties, assisting the congregations of the Diocese, as directed, in planning and identifying sources of financing for the construction, purchase, repair and improvement of churches, rectories and parochial buildings.

The major areas of responsibilities include: being a resource to congregations in reviewing property repairs and improvements; supervising and overseeing property assessments; working with members of the diocesan staff, the Standing Committee and Diocesan Properties as needed.

See Appendix E for Diocesan Property Manager contact information.

Standing Committee (created by National Canon)

The Standing Committee, among other duties, oversees use of property and is concerned with sales and leases, tenants, and use of rectories.

Canons pertaining to the Standing Committee include:

- ◆National Canon I.7.3 (*See "The Trust Doctrine" in Section 1, Types of Churches and Property Implications.*)
- ◆National Canons II.6.2 and II.6.3 (*See "Dedicated and Consecrated Churches" in Section 1, Types of Churches and Property Implications.*).

The Standing Committee Procedures are outlined in Appendix A.

Diocesan Council (created by Diocesan Canon)

The Diocesan Council is responsible for the strategic direction of the Diocese.

In the Parish

At the parish level, clergy and lay leadership work together, following the canons of the national church, using their gifts as stewards of their church's property.

Clergy person

In the service of the Celebration of a New Ministry the symbolic "giving of the keys" signifies that the rector, on his or her own authority, may decide who may use the church buildings when. This enables the rector to carry out his/her ministries without hindrance. Formally, the clergy person's canonical responsibility regarding church property is stated below.

National Canon III.9.5(a)(2): For the purposes of the office and for the full and free discharge of all functions and duties pertaining thereto, the Rector shall at all times be entitled to the use and control of the Church and Parish buildings together with all appurtenances and furniture, and to access to all records and registers maintained by or on behalf of the congregation.

Vestry

The vestry's canonical responsibility regarding church property:

National Canon I.14.2: Except as provided by the law of the State or of the Diocese, the Vestry shall be agents and legal representatives of the Parish in all matters concerning its corporate property and the relations of the Parish to its Clergy.

The vestry is the body within a congregation that, with the clergy, leads the parish. Regarding church property, each congregation must decide how its vestry assigns property management functions.

- ◆Is there a committee that oversees property management?
- ◆Should the people involved in property management have expertise, training, or special abilities in this area?

Resources:

The Vestry Resource Guide, a Cornerstone publication of The Episcopal Church Foundation is a useful reference with a 2-page "Stewardship of Property Checklist."

The Vestry Handbook by Christopher L. Webber is also a good resource for property information.

Clergy and Vestry

Since the rector has the authority to decide who will use the church buildings when and the vestry is charged with the duty of maintaining those buildings, ideally the rector and the vestry will work together, consulting with each other and cooperatively making plans regarding the church's property (as well as its programs).

To rent, sell, or mortgage church property, the rector and the vestry must follow the canons and Standing Committee procedures. (See "*Rental, Sale, or Mortgaging Your Property*" in Section 5, *Leases, Space Use, and Sales*.)

Property Committee

The clergy, wardens, and vestry may choose to create a separate committee that will handle property concerns. Each congregation should develop its own mission statement and goals for its Property Committee and will define how the committee will work with its clergy, wardens, and vestry.

Things to Consider:

- ◆ How many members should be on the committee and on what basis should they serve?
Must a vestry member be on the property committee?
- ◆ What seasonal responsibilities (such as mowing, raking, shoveling and plowing) should the committee manage?
- ◆ What is the procedure for reporting to the vestry and how often should that happen?
Are there required reports, etc.?
- ◆ How does the committee function in relation to outside groups using the church?
- ◆ Does the committee authorize and review all property-associated expenses?
- ◆ What types of records are kept—expenses, what was done when and who did it?
- ◆ Is there a formal way of recording short-term and long-term projects for repair and improvement of church property? How is this administered?
- ◆ Does the committee prepare an annual budget? If so, who approves the budget and how and when is it presented?

Sexton/Maintenance Service

Each congregation decides how to handle its ongoing property maintenance and most likely either decides to employ a sexton or to contract with a cleaning/maintenance service. Either should provide ongoing maintenance for the church's buildings and grounds. Each congregation develops a job description for its sexton or a list of expectations for its maintenance service.

Things to Consider:

- ◆Who supervises the maintenance work?
- ◆Who is authorized to delegate specific maintenance tasks?
- ◆How are requests for work submitted?
- ◆What are the daily responsibilities?
- ◆What are the seasonal responsibilities?
- ◆What are the expected work hours?
- ◆What benefit policies are offered if a sexton is employed?
- ◆What is the routine maintenance backup plan?

Vendors

Each congregation should maintain a list of its regular vendors for easy reference. *See Appendix B for a suggested list of the types of vendors to keep on hand.*

Things to Consider:

- ◆Each vendor must have his/her own Certificate of Insurance.
- ◆Getting competitive bids is strongly recommended.

3. Risk Management

Risk management, a disciplined approach to asset conservation, requires serious consideration by all congregations. It is not just about buying insurance; it's also about managing risks. Risk management is a broad area with much information to digest. In a booklet about risk management and insurance basics for Episcopal organizations, the Church Insurance Agency Corporation describes the ongoing process of managing risk as being made up of the following five steps:

1. Risk Identification and Measurement/Evaluation
2. Risk Avoidance and Reduction
3. Risk Retention
4. Risk Transfer
5. Risk Monitoring and Adjustment

Resources: *(included in the folder with this Property Guide)*

◆ *Safeguarding Your Assets: Risk Management & Insurance Basics for Episcopal Organizations* by the Church Insurance Agency Corporation— for more detail about the steps listed above as well as information about insurance coverage and other considerations.

◆ *Church and Parish Hall Inventory: Protecting Your Church Assets* also by the Church Insurance Agency Corporation.

◆ The Church Pension Group's website provides another good resource for researching issues of risk management. (See Appendix E for website information.)

4. Annual Maintenance

Things to Consider:

The following questions, from *The Vestry Resource Guide*, are helpful in considering the care of your buildings.

◆Who is responsible for building maintenance? How does this person or service know when something needs attention?

◆Are provisions made for long-term maintenance? How are these expenses funded? Is money set aside in a maintenance fund?

The following are some examples of long-term maintenance tasks that will have expected expenses. All such expected maintenance expenses should be detailed for each building and kept up to date:

- Painting: exterior 4-6 years, interior 5-7 years
- Roofs: 15-25 years
- Furnishings

◆How does the congregation contract for repairs and maintenance of buildings? Are bids received? Who selects the contractor? Who oversees the work? (*Someone must usually be free during normal business hours to oversee the project.*)

◆What provisions are made for emergency repairs (plumbing, electrical, etc.)? Is a list posted of whom to contact? Who authorizes emergency repairs?

◆Who is responsible for building upkeep and cleaning? If there is a sexton, who is responsible for overseeing the sexton's work? If a maintenance service is contracted, who oversees the work of the service? Who sets the 'standards'?

◆Who is responsible for grounds maintenance? Has provision been made for snow removal during the winter? If this work is contracted who authorizes payment?

◆Is a rectory part of the church's property? If so, is there a letter of agreement between the rector and the vestry concerning maintenance of the rectory? Who is responsible for overseeing this? (*See "Rectory Considerations" at the end of this section.*)

Suggested Routine Maintenance

Maintenance Walk-Through

The entire property committee should walk through every space, room, and hallway of the church's buildings and grounds (including the rectory) and make a list of rooms needing paint, tiles needing to be replaced, faucets that drip, sidewalks needing repair, tree limbs that need to be trimmed, and all the other obvious maintenance items.

After the walk-through:

- ◆ Make a space-by-space, building-by-building, room-by-room list of projects that need to be done.
- ◆ Categorize projects by type—minor repairs, major repairs, or ongoing maintenance.
- ◆ Establish priorities.
- ◆ Assign tasks to individuals or subcommittees as necessary and determine how and when the projects will be completed.
- ◆ Get estimates, if necessary.
At least three (3) estimates are recommended.
- ◆ Be sure that any work planned is in compliance with appropriate diocesan resolutions regarding:
 - Environmental requirements
 - ADA requirements (accessibility)
- ◆ In conjunction with the clergy, wardens, and vestry, determine how to fund the project. Various sources could include:
 - Operating budget
 - Church insurance
Report the incident and work with the insurance adjuster.
 - Church capital campaign for a major project

Routine Maintenance

It will be helpful to develop a routine maintenance checklist for your property upkeep. Many of these jobs will be identified on your maintenance walk through. (*See Appendix C for a suggested checklist.*)

Rectory Considerations

When a rector lives in the rectory, a Letter of Agreement between the rector and the vestry will specify how repair, improvements, and routine maintenance of the rectory will be delegated, approved, and paid for. Annually, the vestry will initiate a walk-through of the rectory to assess any needed repairs or improvements. Also, annually, the rector and vestry will develop a plan and budget for rectory upkeep.

Resources:

◆The Partners for Sacred Places website (see Appendix E) lists a number of publications about property care. These are available for purchase through “Partners.”

- *Maintenance Manual: A Program for Inspection and Seasonal Maintenance of Religious Properties*
- *Inspecting and Maintaining Religious Properties*
- *How to Care for Religious Properties*

5. Leases, Space Use, and Sales

Most congregations permit some use of their building(s) for non-congregational functions or meetings. Since this use presents both opportunities and challenges it must be carefully considered and well-defined guidelines and policies should be established.

Things to Consider:

- ◆How does your congregation decide who may use building(s) and which building(s) may be used?
- ◆Who gives permission for the use of the building(s) (clergy, administrative assistant, other)?
- ◆Will the use be free of charge or will there be a fee?
- ◆How is this use scheduled? Who maintains the schedule and makes sure that the rooms are available and ready when necessary?
- ◆Are there written policies and procedures?
- ◆Does your liability insurance cover the building(s) for non-congregational use? (*For more information, see Section 9, Insurance.*)
- ◆Do you have a written agreement with every organization, entity, or person who uses church space whether for a single event or on a regular basis? (*For reference, see sample leases in Appendix D.*)

Free Use of Buildings:

- ◆Are groups such as AA or Boy or Girl Scouts permitted to use the buildings free of charge?
- ◆What determines which groups are permitted free use of the building(s)? Is this a decision of the vestry as a whole or is the decision delegated to the clergy or property committee?
- ◆What responsibility does the user have for cleanup?
- ◆Who is responsible for making sure that standards are met?

Rental, Sale, or Mortgaging Your Property or Any Part of It

The Standing Committee must approve any rental agreement of one (1) year or more, or any transfer, conveyance or encumbrance of church property. This approval is required regardless of the duration if the property concerned is for residential use.

Relevant canons include National Canon I.7.3 (Section 1 this guide, under “The Trust Doctrine”); National Canon II.6.2 (*Section 1, this guide, under “Dedicated and Consecrated Churches”*).

A Parish may enter into a lease or leases of Parish owned property, other than for residential use, without the prior consent of the Bishop and Standing Committee provided the term of such lease does not exceed (1) year in duration, and the lease does not obligate the Parish to extend or renew the tenancy beyond one year. No Parish-owned property shall be used or leased for residential purposes without the prior consent of the Bishop and Standing Committee, in writing, regardless of the extent of such use and the duration of such lease, except that no such consent shall be required for the occupancy of Parish-owned property by Clergy or lay employee(s) of such Parish.

Things to Consider:

- ◆What groups or individuals are permitted to rent the building(s)? For what type of functions (for example, wedding receptions, group meetings, etc.) are the building(s) rented?
- ◆Who agrees to the use of the building(s)?
- ◆Is there an established fee schedule? Is the rate the same for communicants and non-communicants? *A non-tiered system is strongly recommended.*
- ◆Who is responsible for cleanup or is there a fee for cleanup included in the agreement? Who makes sure that standards are met?
- ◆Is there a standard contract form that must be completed? *(See Appendix D for sample leases.)*
- ◆What effect, if any, will building rentals have on your tax-free status? It is strongly recommended to consult an attorney regarding the tax implications of rentals.
- ◆What effect will rentals have on your liability insurance? *(For more information, see Section 9 on Insurance.)*
- ◆If the building(s) are used for pre-school groups there may be special fire and safety requirements. Have these been investigated? Do your buildings meet these standards?
- ◆Do you have established policies for alcohol use or smoking in buildings? If so, where may individuals smoke and what types of alcohol (beer, wine or spirits) may be used? Is this different for congregational functions as opposed to rentals?

Resources:

- ◆The Vestry Handbook; Chapter 4—Buildings and Grounds

6. Major Improvements and New Construction

Much consideration, planning, and learning must go into a congregation's plans to undertake major improvements and/or new construction.

Education and Information Resources

Episcopal Church Building Fund (ECBF)

The ECBF, founded in 1880, is an autonomous and self-supporting organization whose mission is “to aid in the building, improvement, and repair of churches, rectories, parochial, and diocesan buildings by providing assistance in planning and loans, and to aid in the development of congregations through providing training, education, and resources.”

The ECBF with its expertise in congregational development offers support for development of congregations themselves as well as for the properties that support their ministries. The following are some of the resources available from ECBF.

- ◆ Workshops for the diocese—free when 6 or more congregations attend.
- ◆ Individual consultations for a fee (\$500/day).
- ◆ Written and visual resources for congregations planning building projects.
- ◆ A building planning guide—*A Congregational Planning Process*, is a comprehensive workbook that helps congregations understand the decision-making involved in every phase, from inception to completion, of planning and implementing building projects.
- ◆ A guide about liturgical design—*The Church for Common Prayer, A Statement on Worship Space for the Episcopal Church* provides theological and practical information for developing space where we worship.
- ◆ A video—*Churches for Common Prayer: Building for the Liturgical Assembly* tours 2 church buildings, one new and one old and renovated, both showing good liturgical design and flexible and inviting space.
- ◆ Seminars for Congregational Development; “Start Up! Start Over!” a 5 day basic training seminar and “!Upward Bound!” a 5-day advanced training program.

See Appendix E for ECBF contact information.

Partners for Sacred Places (Partners)

Partners for Sacred Places, founded in 1989, “is the nation’s only non- sectarian, non-profit organization providing hands-on assistance to the people who care for sacred places while promoting a new understanding of how these places sustain communities.”

Partners offers conferences, workshops, training, publications, and consulting assistance. It maintains America’s largest library of information on the stewardship and active use of older religious properties. Its Information Clearinghouse is staffed full-time, is free of charge, and can be accessed for help with a wide variety of issues such as fund-raising, stained glass restoration, and partnerships between congregations and community groups.

New Dollars/New Partners Training

New Dollars/New Partners is an in-depth training program presented by Partners for Sacred Places that provides practical tools for congregations with older buildings (50+ years) wanting to broaden their circles of donors to support the care and good use of their sacred places. The training, for groups of 8 – 12 congregations with a sponsoring entity, takes place over several months and includes 4 full-day training modules with time in between each to utilize newly acquired skills. The modules include:

1. Making the Case for Your Sacred Place
2. New Community Partnerships
3. A Capital Campaign Primer
4. Tapping Community Funding Resources

This training is led by the staff of Partners as well as by some consultants. Each congregation should send a team of 4 leaders to this training—1 senior clergy and 3 lay leaders responsible for property, finance/fundraising, and outreach.

See Appendix E for Partners for Sacred Places contact information.

7. Funding

Building Loans from the National Church

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Loan Application Process

Loans, for building purposes only, are made available by ECBF to a congregation through its diocese. Loans require a diocesan co-signature. To apply, a congregation must make a request to ECBF in writing, supplying the following information:

1. The estimated amount to be borrowed.
2. The anticipated time when the funds will be needed.
3. A brief description of the project.

Applications may be submitted anytime, and when received will be acted upon promptly.

To submit applications, use the address, email, or fax information in Appendix E.

See Appendix E for other ECBF contact information.

Funding at the Parish Level

Capital Campaign

From time to time every congregation will need major funds for a special project or an unforeseen major expense. Conducting a capital campaign may be the best way to generate those funds, particularly if such a campaign has not been conducted in the last 5 – 10 years. Experience shows it will not lower pledge amounts and it may actually increase enthusiasm for the specific project.

Resource:

Partners for Sacred Places (*see section 6, Major Improvements and New Construction*) has expertise to share about conducting successful capital campaigns and they publish a very useful book, *The Complete Guide to Capital Campaigns for Historic Churches and Synagogues*.

Building Reserve

It is strongly recommended that funds be held in reserve for expected building maintenance that may not be included in routine monthly expenses but will be known to occur every so often—such as painting, roof repair, etc.

Mortgaging Property

It is important to remember that if a mortgage is being sought to fund improvements on property, the Standing Committee must approve it first. (*See “Mortgaging” in Appendix A, Standing Committee Procedures.*)

8. Insurance

This section is an overview of issues related to property insurance, not other insurance issues such as personal injury. For more detailed insurance information, please read the booklet included with this guide, “Risk Management and Insurance Basics for Episcopal Organizations”—it is an excellent resource.

Church Property Insurance

National Canon I.7.1(h): All buildings and their contents shall be kept adequately insured.

Property insurance is necessary to protect a church’s assets against loss resulting from direct damage to the church’s property. Adequate insurance coverage is a matter of good stewardship that requires doing a great deal of research, understanding the risks a church faces, and evaluating church property, finances, and replacement values on an ongoing basis. This should include regular appraisals of real and personal property. Conducting a thorough study of the insurance protection the church has and the protection it needs is highly recommended.

Things to Consider:

- ◆ Are all buildings (and their contents) properly insured as required by the national canons?
- ◆ Who maintains insurance records and where are they kept? *It is strongly recommended that original insurance documents be kept in a fire-resistant safe and copies of the documents be kept off the premises.*
- ◆ Who makes certain that insurance records are kept up-to-date?
- ◆ Who is responsible for filing insurance claims?
- ◆ Who is the insurer?

Most Episcopal congregations use the Church Insurance Company. The Church Insurance Company offers “The Pinnacle Policy” especially designed for Episcopal churches. It fills church insurance needs not addressed by commercial policies. See the Church Pension Group website for more information about this policy.

The following are a few basics to keep in mind when making decisions regarding insurance.

Type of Policy

A property insurance policy covers buildings, contents, and other types of property against damage by certain perils, or causes of loss. There are generally two kinds of property policies:

- ◆The “Named Perils” contract insures only against specifically listed perils such as fire, lightning, windstorm, hail, vandalism, explosion, weight of snow, falling objects, etc.
- ◆The “All Risk” contract insures against all perils except those that are specifically excluded. Unlike a Named Perils policy, common causes of loss include burglary and theft of property, glass breakage, and water back-up from sewers and drains.

The Named Perils buyer needs to determine exactly what causes of loss are insured since loss by any unlisted peril will not be covered whereas the All Risk buyer may have broader coverage but must be familiar with policy exclusions that will not be covered.

Limits of Policy

- ◆*A Blanket Limit* represents the total value of all structures and their contents. The total figure is available in the event of loss to any part of the property.
- ◆*Specific Limits* can be set for each structure and its contents. Recovery for buildings and/or contents will be limited to the stated value for each.

Basis of Valuation

The basis of valuation has a direct bearing on the amount of insurance coverage a church decides to purchase and on the resulting premium it must pay. The basis of valuation helps determine what will be recovered through insurance after a loss.

- ◆*Replacement cost* is the cost of repairing or replacing damaged property with new material similar in kind and quality to that of the original.
- ◆*Reproduction cost* is the cost of repairing or replacing damaged property with materials identical to those of the original.
- ◆*Actual cash value* is the replacement cost less reasonable depreciation reflecting the age, condition, and utility of the damaged property.

Physical Inventory

For insurance purposes, it is crucial to have a thorough inventory of all assets, ideally with accompanying photos and/or videotapes and descriptions and estimates of most recent replacement and/or reproduction costs.

A “*Church and Parish Hall Inventory*” booklet, published by the Church Insurance Corporation, offers a good inventory framework and is included in the folder with this guide.

Appraisals

To adequately insure property, the property value must be known. Since a reliable appraisal can accurately determine this value, it is an important part of the insurance process.

Property values can change due to inflation, expansion, and other factors, therefore, it is important to have property reappraised on a regular basis.

- ◆Buildings should be appraised every five to seven years.
- ◆Contents should be inventoried and valued more frequently.
- ◆Property values should also be revised regularly.

Resource:

- ◆*The American Appraisal Service for Episcopal Institutions* provides a detailed assessment of church property and includes a site plan and color image of property, all on CD-ROM. (See Appendix E for contact information.)

Coverage Review

All insurance policies should be reviewed on an annual basis.

Users Insurance

This type of insurance generally protects the church if it is having a special event such as a street fair where there may be special risks associated with the event. For instance, mechanical rides or other unusual events might suggest the need for additional coverage.

Additionally, when others pay a fee to use a portion of the church, whether for a single event or on an ongoing basis, the church should consider requiring users insurance where the user will agree not to hold the church liable for any claims, damages and expenses, including reasonable attorney fees, that may arise out of or be connected with the user's use of the church. Users insurance is intended to minimize the church's exposure as well as to protect the user from anyone who maintains that the user has a legal responsibility for damages suffered by any claimant on the church premises.

All users of the church's premises and facilities should provide the church with the following, preferably at least a week prior to their use:

◆A certificate of liability insurance for the period that the user will use the church facilities.

Liability insurance minimums should be:

- \$250,000.00 for property damage
- \$500,000.00 for injuries to one person
- \$1,000,000.00 for more than one person in any accident or occurrence

◆Insurance policies should be with companies authorized to conduct business in Maryland.

Users can purchase liability insurance in the following ways:

- ◆As a rider on their home or apartment insurance policy for single or multiple use at an off-site facility (the church).
- ◆As a rider on the insurance policy of the user's organization.
- ◆As a separate insurance policy.

Vendors Insurance

It should be verified that all vendors used by the church have their own Certificate of Insurance. This minimizes the potential risk the church assumes from third parties.

Resources:

- ◆*Risk Management & Insurance Basics for Episcopal Organizations* booklet (included in the folder with this guide)
- ◆*The Vestry Handbook*, Chapter 5—Insurance
- ◆*Church and Parish Hall Inventory* pamphlet published by the Church Insurance Agency Corporation (*included in the folder with this guide*)
- ◆The Church Pension Group's website (*See Appendix E for site.*)

Appendix A. Standing Committee Procedures

In order to obtain approval from the Standing Committee to sell, mortgage, lease parish property in excess of one year, or lease rectories/vicarages for any period, papers must be submitted to the Bishop's office.

Selling or Leasing: No application to sell or to lease real estate to a tenant will be entertained until the petitioner has filed the following documents in proper form with the Bishop's Office:

A. A Resolution, or other proof, that the Vestry of the parish, or the Executive Committee AND the Department of Missions (until the Diocesan Council assumes the responsibilities of the Department of Missions), has authorized (subject to the consent of the Bishop and the Standing Committee) the proposed sale or proposed lease.

B. A brief statement of how the sale or lease of this property will aid in the congregation's strategy for growing its mission.

C. A Petition which shall contain or be accompanied by supporting schedules, containing the following:

1. A description of the property,
2. Information as to whether the property has been consecrated,
3. The reason or reasons for selling or leasing the property,
4. The full name, address, and the relationship, if any, of the lessee or purchaser to the parish or mission.
5. In the case of a lease:
 - a. Written appraisal of rental value by a qualified real estate professional,
 - b. Proof of liability insurance coverage carried by the leasing body or organization. Such coverage should be in the amount of not less than one and one-half million dollars, and should specifically stipulate the parish, the leasing body or organization, and/or the Diocese of Easton as additional insured,
 - c. A copy of the proposed lease
6. In the case of a sale:
 - a. The terms and conditions of the sale together with a statement of the intended disposition of the proceeds of the sale, and
 - b. The Petition must be accompanied by a written appraisal of a qualified real estate appraiser.

Mortgaging: No application to mortgage real estate will be entertained until the petitioner has filed the following documents in proper form with the Bishop's Office:

A. A Resolution, or other proof, that the vestry of the parish, or governing body of any other owner of real estate, has authorized (subject to the consent of the Bishop and the Standing Committee) the proposed mortgage.

B. A Petition which shall contain or be accompanied by supporting schedules containing the following:

1. A description of the property by metes and bounds,
2. A statement of the size and terms of the mortgage, including the interest rate, amortization period, and name of the mortgagee,
3. A statement of the reasons why it is necessary to borrow the money secured by the mortgage, and a description of the plan for the ultimate repayment of the amount borrowed,
4. A statement of all outstanding indebtedness (current and year end for the last two years),
5. A brief income and operating statement of the parish for the last two fiscal years showing sources of income, including pledges, plate offerings, rental income, income from investments, and the like; and expenses, including salaries and other expenses.
6. A detailed listing of all financial assets (trust funds, endowment income, etc.), including their present value and year-end value for the last two years;
7. A statement of parish pledge/contribution to the Diocese for the previous three years;
8. A statement of the current parish membership showing the number of baptized persons and communicants for the five years prior.

The Bishop's Office will distribute the papers to all members of the Standing Committee, although in certain cases the complete package of documents may be distributed only to the members of the Property Committee and the President.

Timely submissions allow for review of the petitions for missing information. Normally, correct petitions, fully prepared and timely submitted to the Bishop's Office, will be sufficient for the Standing Committee to take action. A member of the Standing Committee shall notify the petitioner if it is necessary for a representative of the congregation to appear to present the petition in person. Upon personal appearance before the Standing Committee, a petitioner may request a waiver of any of the foregoing documents.

Vestries, and all others required to petition for consent of the Standing Committee, are cautioned to establish a date for closing the transaction which will allow ample time for preparation of the petition and its accompanying schedules and the presentation thereof to the Bishop and Standing Committee. It is suggested that counsel for the petitioning body review the petition and its accompanying schedules before filing the petition with the Standing Committee.

Parishes and others that are contemplating sales of real estate, leasing to a tenant, or borrowing on mortgage, are also cautioned that any sales contract or other form of commitment executed before the Bishop and Standing Committee have given their consent must contain a provision that performance of the contract or commitment is conditioned upon and subject to written consent to the transaction in question being obtained from the Bishop and Standing Committee.

Appendix B: Vendor List

The following is a suggested list of types of vendors whose names and numbers would be helpful to maintain.

Type of Vendor	Name	Contact Information
Electrician		
Plumber		
Carpenter		
Florist		
Oil Burner Repair		
Alarm Company		
Furniture Repair		
Upholstery Repair		
Floors		
Gutter Cleaning		
Glazier		
Stained Glass Window Repair		
Masonry		
Painting		
Landscapers		
Plant/Garden Center		
Pest & Termite Services		
Stove Repairs		
Appliance Repairs		

Appendix C: Annual Maintenance Checklist

Spring

- Exterior maintenance agenda walk-through
- Interior maintenance agenda walk-through
- Thermostat programming adjustment
- Air conditioning system check
- Window operation check
- Grounds clean-up
- Lawn and grounds spring/summer maintenance coverage check
- Gutter cleaning
- Exterior lighting programming adjustment

Summer

- Gutter cleaning

Fall

- Interior maintenance walk-through
- Thermostat programming adjustment
- Heating system check
- Grounds clean-up
- Snow clean-up coverage check
- Winterization check
- Gutter cleaning
- Exterior lighting programming adjustment

Winter

- Walks shoveled and driveway/parking lot(s) plowed

Appendix D: Sample Leases

Legal Note Regarding Sample Leases

This publication and the form documents included in it are not intended to provide legal advice nor does the inclusion of the form documents mean to imply any legal responsibility or obligation on behalf of the diocese, its employees or its attorneys resulting from the use of such forms. Issues relating to the sale, leasing and use of property together with issues involving insurance coverage and property taxes are fact-specific. The resolution of any given issue or the negotiation of any lease or agreement for the use of property will depend upon a variety of factors. The forms included in this publication are provided only as samples of documents used in other situations and will need to be modified to apply to the specific situation confronting your church. You may need to consult an attorney as part of that process.

Sample Forms

Two sample forms have been included here are:

1. An Annual Facilities and Equipment Use Agreement which has 4 main sections:
 - Details of Facilities and Equipment Use —dates, times, contacts, payment, etc.
 - Terms and conditions of agreement.
 - Key Control Agreement.
 - Letter to the “User” from the church.

2. A Lease Agreement for leasing church property.

Sample of an Annual Contract

*The Church of CCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC
City, Maryland Zip Code*

FACILITIES AND EQUIPMENT USE AGREEMENT

By and between
The Rector, Wardens and the Vestry of the
Church of CCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC (“Church” or “CCCCCC”)
and
The XXXXXX Group (“User”)

Occupancy Date: Month DD, YYYY through Month DD, YYYY

Name of Organization (“User”): The Group (“User”)

Name of User’s Representative: Representative

Address: Street Address
City, Maryland Zip Code

Business Telephone Number:

Home Telephone Number: XXX-XXX-XXXX

Space to be used by User: Room(s)

Equipment to be used: ## Chairs and ## Tables.
Note: On anniversary nights ### chairs and ## Tables are required.

Days: Every ‘day of the week’

Times: X:XX p.m. – XX:XX p.m.

Donation* and Method of Payment: \$XXX.XX per calendar month, payable to the Church by the first of each month.

*A donation is required to help defray the cost of utilities and the maintenance of the space, any other facilities, and equipment.

III. GENERAL REGULATIONS (continued)

4. Shall notify the Church Representative in writing within 48 hours of its being notified, reported or told of any breakage, damage, inconvenience and/or accident caused or suffered by the Group, its employees, agents, clients, potential clients, visitors, or by anyone having or seeking a business relationship with the Group.
5. Acknowledge that any repair or replacement costs due to damage or pilferage will be assessed in addition to the agreed upon donation.
6. Immediately notify the Rector, Wardens or Property Chair in the event of an emergency that occurs while your group is present: e.g., fire, broken water pipe, discontinuation of heat or electricity, the need for emergency services: police, fire, ambulance, etc.

IV. PROPER USE AND CARE OF ROOMS, FACILITIES, AND EQUIPMENT

WHEN YOU ENTER

1. Turn off the alarm and turn on only those lights that are needed.
2. Open only those doors and windows necessary for convenience and comfort.
3. Set up room(s) to be used.
4. Put out ashtrays if necessary, and urge members and guests to use them.
5. Permit no animals - pets or strays - in the building (with the exception of aid dogs for the handicapped).

WHEN YOU LEAVE

1. Clean up any spills and litter in the room(s) and lavatories.
2. Be sure all cigarettes are out and cold. Empty all ashtrays safely. Wash all ashtrays that were used, dry and put away.
3. If food or beverages have been served to or by the group, be sure that any leftovers have been either disposed of properly or taken home.
4. Restore the room(s) and equipment to the way they were found.
5. Be sure all water faucets are turned off.
6. If the stove has been used, be sure that all burners and ovens are off.
7. Be sure any electrical appliances and/or coffee makers have been unplugged, cleaned, and put away properly.
8. Be sure all outside doors are locked.
9. Be sure all windows are closed and secured.
10. Turn off all lights in room(s) and lavatories.
11. Be sure any outside lights at entrances and parking areas are turned off and/or that "timers" are set so that their lights will go off automatically.
12. Check to see that all group members and guests have left, the alarm has been set, and that the last exit door has been locked securely.

V. TERMINATION

The Church may terminate this Agreement, for cause with 3 days advance written notice or, for no cause at all, with 15 days advance written notice of such termination. User may terminate this Agreement, for cause or no cause at all, upon giving the Church of CCCCCCCCCCCCCCCCCC 30 days advance written notice of such termination. Upon termination, the User shall remove any and all equipment it may have stored on the premises and facilities.

VI. MODIFICATIONS

This Agreement may be modified from time to time but only if a modification is in writing and signed by both parties.

The parties agree to be bound by this Agreement, its Terms and Conditions, Key Control Agreement and any Attachments as of this _____ day of _____, YYYY,

Name:
Title:

Name:
Title:

Church of CCCCCCCCCCCCCCCCCC

*The Episcopal Church of CCCCCCCCCCCCCCCCCCCCCC
Street Address
City, Maryland Zip Code*

KEY CONTROL AGREEMENT

User: **Name of Organization (“User”):**

Key-Holder’s Name: Name of User’s Representative:

Key-Holder’s Address: Street Address
City, Maryland Zip Code

Key-Holder’s Telephone Number(s) ###-###-#### Business
###-###-#### Home or Cell Phone

I acknowledge receipt of Key #_____, and agree to maintain it under my personal control at all times during our use of the premises and facilities at the Church of CCCCCCCCCCCCCCCCCC in City, Maryland, or in a secure location if not at the premises or facilities. I further agree not to duplicate or attempt to duplicate this key, and to return the key to the Church office upon termination of use of the church’s facilities, or upon demand. Should I be replaced as Key Holder by any person from my group/organization, I will notify the church liaison. A similar form may be executed with the new Key-Holder before he/she takes possession of this key. In the event of loss or theft of this key, I agree to immediately notify the church liaison named below.

I also understand that this is the only key my group or organization will be assigned. I understand that this key is part of a non-duplicable key and lock system presently established on the church premises. I agree that should this key be lost or stolen through my negligence, I and the group/organization to which I belong shall pay for the whole cost of another key and lock system comparable to the one now established on the church premises.

This agreement also includes a key to the Church Alarm System for User’s area.

Name: Key Holder:

Church of CCCCCCCCCCCCCCCCCC

Date:

*The Episcopal Church of CCCCCCCCCCCCCCCCCCCCCC
Street Address
City, Maryland Zip Code*

Month DD, YYYY

Name of Organization (“User”)
Street Address
City, Maryland Zip Code

Dear Mr. or Ms. ‘Name of User’s Representative’:

I am enclosing two copies of the Facilities and Equipment Use Agreement, Terms and Conditions, and Key Control Agreement pertaining to the use of the Room(s) at The Church of CCCCCCCCCCCCCCCCCCCCCC. Please sign both copies and return them to my attention at the Church. Once the Agreement is executed by the Church, we will give you an executed copy.

As is our practice, the Agreement is for the use of the Room(s) on Weekday(s) from Month 1, YYYY through Month 31, YYYY. The space-use agreement fee is \$XXX.XX per calendar month and will be due on or before the first of each month.

If you have any questions, please call me at the Church (###-###-####).

Very truly yours,

Church Representative
Title of Church Representative

Sample of a Lease Agreement

This Lease Agreement is made on MM,DD, YYYY.

BETWEEN

Name of Landlord

whose address is

Street Address, City, Maryland Zip Code

referred to as the “Landlord,”

AND

Name of Tenant

whose address is

Street Address, City, Maryland Zip Code

referred to as the “Tenant.”

1. PREMISES

The Landlord agrees to lease to the Tenant and the Tenant agrees to rent from the Landlord, the following described Premises:

The property known as The Church of CCCCCCCCCCCCCCCCCC, located at Street Address, City, Maryland Zip Code Subject to paragraph 5 the subject Premises shall not include the Rectory until the provisions of Paragraph Five are satisfied.

2. TERM

This Lease is for a term of # years commencing on MM, DD YYYY, and ending on MM, DD, YYYY.

3. SECURITY DEPOSIT

The Tenant shall make a \$X,XXX.XX security deposit with the Landlord as security that the Tenant will comply with all the terms of this Lease. If the Tenant complies with the terms of this Lease, the Landlord will return this deposit within 30 days after the end of the Lease, including any extension. The Landlord may use as much of the deposit as necessary to pay for damages resulting from the Tenant's occupancy. If this occurs prior to the Lease termination, the Landlord may demand that the Tenant replace the amount of the security deposit used by the Landlord. If the Landlord sells the property, the Landlord may transfer the deposit to the new owners for the Tenant's benefit. The Landlord will notify the Tenant of any sale and transfer of the deposit. The Landlord will then be released of all liability to return the security deposit. The Landlord will fully comply with any applicable Rent Security Laws.

4. USE OF PROPERTY

The Premises are to be used and occupied only and for no purpose other than a house of worship. The Tenant will not, and will not allow others, to occupy or use the Premises, full or partial, for any purposes other than as specified in this Section 4, nor for any purpose deemed unlawful, disreputable, or extra hazardous, on account of fire or other casualty. The Landlord shall exercise no control over, and is not responsible for, the operations of the Tenant's facility, including staffing, curriculum decisions, and the like.

5. RENT

The Tenant agrees to pay rent at the rate of \$X,XXX.XX per month, due on the First day of each month. The first payment of rent and any security deposit is due upon the signing of the Lease by the Tenant. The Tenant must pay a late charge of \$XXX.XX as additional rent for each payment that is more than ten (10) days late. This late charge is due with the monthly rent payment. The tenant must also pay a fee of \$25.00 as additional rent for any dishonored check.

6. USE OF THE RECTORY

The Rectory located on the Premises described in Section 1 shall not be available for the use of the Tenant as long as the current vicar remains in possession. Upon the termination of the use of the Rectory by the current vicar, the Tenant may use the Rectory on the same terms and conditions described in this lease for an additional monthly payment of \$XXX.XX per month. Use of the property shall be in accordance with the provisions of Section 5.

7. REPAIRS AND CARE

The Tenant has examined the Premises and has entered into this Lease without any representation on the part of the Landlord as to the condition of the Premises. The Tenant shall take good care of the Premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the Premises in good condition and state of repair, and at the end or other expiration of the terms of this lease, deliver the rented Premises in good order and condition, wear and tear from reasonable use, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, walkways, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice. All repairs or alterations in excess of \$1,000.00 shall be approved by the Landlord; Chief Financial Officer and Property Officer. Tenant shall be responsible for all operating expenses for the subject property together with all utilities and operating costs, costs of snow removal, lawn care, cleaning and maintenance.

8. ALTERATIONS AND IMPROVEMENTS

No alterations, additions or improvements shall be made, and no climate regulating, air conditioning, cooling, heating or sprinkler systems, television or radio antennas, heavy equipment, apparatus and fixtures, shall be installed in or attached to the leased Premises, without the written consent of the Landlord. Unless otherwise provided herein, all such alterations, additions or improvements when made, installed in or attached to the said Premises, shall belong to and become the property of the Landlord and shall be surrendered with the Premises upon the expiration or sooner termination of this Lease, without hindrance, molestation or injury.

9. SIGNS

The Tenant shall not place nor allow to be placed any signs, upon, in or about the Premises, except with pre-approval from the Landlord in writing. Any signs permitted by the Landlord shall at all times conform with all municipal ordinances or other laws and regulations applicable.

10. COMPLIANCE WITH LAWS, etc.

The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of all Governmental or Public Authorities and of all their subdivisions, applicable to and affecting the Premises, their use and occupancy, and shall promptly comply with all orders, regulations requirements and directives of the Board of Fire Underwriters or similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the Premises and its contents, for the prevention of fire or other casualty, damage or injury, at the Tenant's own cost and expense. The Tenant shall be responsible for the installation and maintenance of all smoke alarms, fire alarms, and fire extinguishers as required by local and state fire codes and insurance regulations.

11. ASSIGNMENTS AND SUBLEASING

The Tenant may not, without the written consent of the Landlord, assign, mortgage or hypothecate this Lease. The Tenant may, with the prior written consent of the Bishop and the Standing Committee of the Episcopal Diocese of Easton, sublet or sublease the Premises or any part of the Premises on such terms and conditions as may be required by the Bishop and the Standing Committee. The restriction on assignment and subletting will also apply to:

- a. any assignment or subletting that occurs by operation of law (including by merger, consolidation, reorganization, transfer or other change in or of the tenant's structure);
- b. any assignment or subletting to or by a receiver or trustee in any federal or state bankruptcy, insolvency or other proceedings;
- c. the sale, assignment or transfer of all or substantially all of the assets of the Tenant outside of the ordinary course of the Tenant's business, with or without specific assignment of this Lease; or
- d. if the Tenant is an entity the direct or indirect sale, redemption or other transfer of fifty (50%) or more of the voting equity interests in the Tenant or the acquisition of a fifty percent (50%) or more voting equity interest in the Tenant. The Landlord's consent to assignment or subletting shall not be unreasonably withheld or delayed.

12. LIABILITY INSURANCE

The Tenant, at the Tenant's own cost and expense, shall obtain or provide and keep in full force for the benefit of the Landlord, and acceptable to the Landlord in its sole discretion, during the term of the lease, liability insurance including both property damage and general liability coverage insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident or otherwise in or about the leased Premises for injuries to any persons, for limits of not less than \$250,000 for property damage, \$500,000 for injuries to one person and \$1,000,000 for injuries to more than one person in any accident or occurrence. The insurance policies shall be with companies authorized to do business in this State and shall be delivered to the Landlord, together with proof of payment, not less than fifteen (15) days prior to the commencement of the terms of this lease or of the date when the Tenant shall enter in possession, whichever occurs sooner. At least fifteen days prior to the expiration or

termination date of any policy, the Tenant shall deliver a renewal or replacement policy with proof of the payment of the premium for the Premises outlined in Section 1.

13. INDEMNIFICATION

The Tenant also agrees to and shall hold harmless and indemnify the Landlord from and for any and all payments, expenses, costs, attorneys and fees (including attorney fees incurred in enforcing the Tenant's obligation under Section 12) and from and for any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by the Tenant or the Tenant's agents, employees, guests, licenses, invitees, subtenants, assignees or successors, or for any cause or reason whatsoever arising out of or by reason of the occupancy or business of the Tenant, even if such damage or injury is allegedly caused or contributed to by any act or omission of the Landlord.

14. RIGHT OF FIRST REFUSAL

The Landlord grants to the Tenant a right of first refusal with respect to the Parcel identified in Section 1 subject to the following terms and conditions. If Landlord receives a bona fide offer (the "Offer") from an unrelated third party to purchase the Premises, which Offer the Landlord desires to accept, the Landlord shall advise the Tenant of the terms of the Offer and provide the Tenant with a written copy of the Offer. The Landlord shall have ten (10) days (excluding holidays and not more than one (1) intervening weekend) within which to agree in writing to make an offer substantially in accordance with the Offer received from the third party purchaser. If the Tenant does not make such an offer, the Tenant shall not have any further rights under this Lease. Should a sale of the Premises to an entity other than the Tenant occur during the five year term of this lease, the Landlord shall give notice to the Tenant and notwithstanding any other provision of this lease; the Tenant shall have sixty (60) days from the date of the notice to vacate the Premises.

15. MORTGAGE PRIORITY

This Lease shall not be a lien against the Premises with respect to any mortgages that may hereafter be placed upon the Premises. The recording of such mortgages shall have preference and be superior and prior in lien to this Lease, irrespective of the date of recording. The Tenant agrees to execute any instruments, without cost, which may be deemed necessary, to further effect the subordination of this Lease to any such mortgages. A refusal by the Tenant to execute such instruments is a violation and shall entitle the Landlord to cancel this Lease.

16. CONDEMNATION EMINENT DOMAIN

If any portion of the Premises of which the leased Premises are a part shall be taken under eminent domain or condemnation proceedings, or if suit or other action shall be instituted for the taking or condemnation, or if in lieu of any formal condemnation proceedings or actions, the Landlord shall grant an option to purchase and or shall sell and convey the Premises or any portion of the Premises, to the governmental or other public authority, agency, body or public utility, seeking to take the land and Premises or any portion thereof, then this Lease, at the option of the Landlord, shall terminate, and the term shall end as of the date that the Landlord shall fix by notice in writing. The Tenant shall have no claim or right to claim or be entitled to any portion of any amount which may be awarded as damages or paid as the result of such condemnation proceedings or paid as the purchase price for such option, sale or conveyance in

lieu of formal condemnation proceedings. All rights of the Tenant to damages, if any, are assigned to the Landlord. The Tenant agrees to execute and deliver any instruments, at the expense of the Landlord, as may be deemed necessary to expedite any condemnation proceedings or to effectuate a proper transfer of title to such governmental or other public authority, agency, body or public utility seeking to take or acquire the land and Premises or any portion of either. The Tenant agrees to vacate the land and Premises, remove all of the Tenant's personal property from the land and Premises and deliver up peaceable possession of the land and Premises to the Landlord or to such other party designated by the Landlord. The Tenant shall repay the Landlord for such costs, expenses, damages and losses that the Landlord may incur if the Tenant's breaches this agreement.

17. FIRE AND OTHER CASUALTY

In case of fire or other casualty, the Tenant shall give immediate notice to the Landlord. If the Premises shall be partially damaged by fire, the elements or other casualty, the Landlord shall repair the same as speedily as practicable, but the Tenant's obligation to pay the rent shall not cease. If, in the opinion of the Landlord, the Premises are so substantially damaged as to render them untenable, then the rent shall cease until such time as the Premises shall be made tenantable by the Landlord. However, if, in the opinion of the Landlord, the Premises are so substantially damaged that the Landlord decides not to rebuild, then the rent shall be paid up to the time of such destruction and this Lease shall come to an end. However, the provisions of this clause shall not become effective or be applicable, if the fire or other casualty and damage shall be the result of the carelessness, negligence or improper conduct of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, the Tenant's liability for the payment of the rent and the performance of all the covenants, conditions and terms of this lease on the Tenant's part to be performed shall continue and the Tenant shall be liable to the Landlord for the damage and loss suffered by the Landlord. If the Tenant shall have been insured against any of the risks covered in this agreement, then the proceeds of such insurance shall be paid over to the Landlord to the extent of the Landlord's costs and expenses to make the necessary repairs, and such insurance carriers shall have no recourse against the Landlord for reimbursement.

18. REIMBURSEMENT OF LANDLORD

If the Tenant fails to or refuse to comply with any of the terms and conditions of this Lease, the Landlord may carry out and perform such conditions at the cost and expense of the Tenant, which amounts shall be payable on demand to the Landlord. This remedy shall be in addition to such other remedies as the Landlord may have by reason of the breach by the Tenant of any of the terms and conditions of this Lease.

19. INCREASE OF INSURANCE RATES

If for any reason it shall be impossible to obtain fire and other hazard insurance on the buildings and improvements on the leased Premises, in an amount and in the form and in insurance companies acceptable to the Landlord, the Landlord may, at any time, terminate this Lease, upon giving to the Tenant fifteen (15) days notice in writing of the Landlord's intention to do so. Upon giving such notice, this Lease shall terminate. If by reason of the use to which the Premises are put by the Tenant or character of or the manner in which the Tenant's business is carried on, the

insurance rates for fire and other hazards shall be increased, the Tenant shall upon demand, pay to the Landlord, as rent, the amounts by which the premiums for such insurance are increased.

20. INSPECTION AND REPAIR

The Tenant agrees that the Landlord and the Landlord's agents, employees or other representatives, have the right to enter into and upon the Premises or any part thereof, at all hours, for the purpose of examining the Premises or making repairs or alterations as may be necessary for the safety and preservation of the Premises. This clause shall not be deemed to be a covenant by the Landlord nor be construed to create an obligation on the part of the Landlord to make such inspection or repairs.

21. RIGHT TO EXHIBIT

The Tenant will permit the Landlord and the Landlord's agents, employees or other representatives to show the Premises to anyone wishing to rent or purchase the Premises, and the Tenant agrees that on and after 60 days next preceding the expiration of the term of the lease, the Landlord or the Landlord's agents, employees or other representatives will have the right to place notices on the front of the Premises or any part of the Premises, offering the Premises for rent or for sale; and the Tenant will permit the notices to remain posted without hindrance or molestation. The Tenant will also permit the Landlord and the Landlord's agents, employees or other representatives to show the Premises to prospective mortgagees of the Premises or the land and improvements of which the Premises are a part.

22. REMOVAL OF TENANT'S PROPERTY

Any equipment, fixtures, goods or other property of the Tenant, not removed by the Tenant upon the termination of this Lease, or upon any quitting, vacating or abandonment of the Premises by the Tenant, or upon the Tenant's eviction, shall be considered as abandoned and the Landlord has the right, without any notice to the Tenant, to sell or otherwise dispose of the same, at the expense of the Tenant, and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

23. EVENTS OF DEFAULT; REMEDIES UPON TENANT'S DEFAULT

If there should occur any default on the part of the Tenant in the performance of any conditions and covenants contained in this lease, or if during the term of this lease the Premises or any part thereof shall be or become abandoned or deserted, vacated or vacant, or should the Tenant be evicted, the Landlord, in addition to any other remedies contained in this lease or as may be permitted by law, may either by force or otherwise, without being liable for prosecution, or for damages, re-enter, possess and enjoy the Premises. The Landlord may then re-let the Premises, receive the rents for the Premises and apply the same, first to the payment of such expenses, reasonable attorney fees and costs, as the Landlord may have incurred in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due under the terms of this lease. The Tenant shall remain liable for such rents as may be in arrears and also the rents that may accrue subsequent to the re-entry by the Landlord, to the extent of the difference between the rents reserved under the terms of this lease and the rents, if any, received by the Landlord during the remainder of the unexpired

term of the lease, after deducting the aforementioned expenses, fees and costs; the same to be paid as such deficiencies arise and are ascertained each month.

24. TERMINATION ON DEFAULT

If an Event of Default occurs, the Landlord may, at any time thereafter, terminate this Lease and the terms outlined in this lease, upon giving to the Tenant, five (5) days notice in writing, of the Landlord's intention to do so. Upon giving such notice, this Lease and the term outlined in this lease shall end on the date fixed in the written notice as if that date was the date originally fixed in this Lease for the expiration of the lease; and the Landlord shall have the right to remove all persons, goods, fixtures and chattels from the Premises, by force or otherwise, without liability for damage.

25. NON-LIABILITY OF THE LANDLORD

The Landlord shall not be liable for any damage or injury which may be sustained by the Tenant or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, steam, sewer, waste or soil pipes, roof, drains, leaders, gutters, valleys, downspouts or the like or of the electrical, gas, power conveyor, alarm, refrigeration, sprinkler, air conditioning or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct on the part of any other Tenant or of the Landlord or the Landlord's agents, employees or other representative or any other Tenant's agents, employees, guests, licensees, invitees, subtenants, assigns or successors; or attributable to any interference with, interruption of, or failure beyond the control of the Landlord, of any services to be furnished or supplied by the Landlord. This limitation on the Landlord's liability will not apply to damage or injury resulting from the gross negligence or willful misconduct of the Landlord or of the Landlord's agents, employees, guests, licensees, invitees, assignees or successors.

26. NON-WAIVER BY THE LANDLORD

The various rights, remedies, options and elections of the Landlord, expressed in this Lease, are cumulative. The failure of the Landlord to enforce strict performance by the Tenant of the conditions and covenants of this Lease or to exercise any election or option, or to resort or have recourse to any remedy herein conferred or the acceptance by the Landlord of any installment of rent after any breach by the Tenant, in any one or more instances, shall not be construed or deemed to be a waiver or a relinquishment for the future by the Landlord of any such conditions and covenants, options, elections or remedies, but the same shall continue in full force and effect.

27. NON-PERFORMANCE BY THE LANDLORD

This Lease and the obligation of the Tenant to pay the rent under the terms of this Lease and to comply with the covenants and conditions hereof, shall not be affected, curtailed, impaired or excused because of the Landlord's inability to supply any service or material called for herein, by reason of any rule, order, regulation or preemption by any governmental entity, authority, department, agency or subdivision or for any delay which may arise by reason of negotiations for the adjustment of any fire or other casualty loss or because of strikes or other labor trouble or for any cause beyond the control of the Landlord.

28. VALIDITY OF LEASE

The terms, conditions, covenants and provisions of this Lease shall be deemed to be severable. If any clause or provision contained in this Lease shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect.

29. NOTICES

All notices required under the terms of this Lease shall be given and shall be complete by mailing such notices by certified or registered mail, return receipt requested, to the address of the parties as shown at the head of this Lease, or to such other address as may be designated in writing, which notice of change of address shall be given in the same manner. Until changed in a subsequent designation, all notices to the Tenant shall be addressed to Name of Tenant, Street Address of Tenant, City, State and Zip Code.

30. TITLE AND QUIET ENJOYMENT

The Landlord covenants and represents that the Landlord is the owner of the premises leased and has the right and authority to enter into, execute and deliver this Lease; and does further covenant that the Tenant on paying the rent and performing the conditions and covenants contained in this Lease, shall and may peaceably and quietly have, hold and enjoy the leased premises for the term aforementioned.

31. ENTIRE CONTRACT

This Lease contains the entire contract between the parties. No representative, agent or employee of the Landlord have been authorized to make any representations or promises with reference to the within letting or to vary, alter or modify the terms hereof. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Landlord and the Tenant.

32. LIENS

If any construction or other liens shall be created or filed against the leased premises by reason of labor performed or materials furnished for the Tenant in the erection, construction, completion, alteration, repair or addition to any building or improvement, the Tenant shall upon demand, at the Tenant's own cost and expense, cause such lien or liens to be satisfied and discharged of record together with any lien claims that may have been filed. Failure so to do, shall entitle the Landlord to resort to such remedies as are provided herein in the case of any default of this Lease, in addition to such as are permitted by law.

33. WAIVER OF SUBROGATION RIGHTS

The Tenant waives all rights of recovery against the Landlord or the Landlord's agents, employees or other representatives, for any loss, damages or injury of any nature whatsoever to property or persons for which the Tenant is insured. The Tenant shall obtain from Tenant's insurance carriers and will deliver to the Landlord, waivers of the subrogation rights under the respective policies.

34. ESTOPPEL CERTIFICATES

The Tenant will at any time and from time to time upon not less than five (5) days prior notice by the Landlord, execute, acknowledge and deliver to the Landlord or by other party specified by the Landlord, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications) and the dates to which the rent, additional rent and other charges have been paid, and stating whether or not, to the knowledge of the signer of such certificate, the Tenant or the Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge, as well as certifying to such other matters as the Landlord or the intended recipient of such certificate may reasonably request.

35. CONFORMATION WITH LAWS AND REGULATIONS

The Landlord may pursue the relief or remedy sought in any invalid clause, by conforming the said clause with the provisions of the statutes or the regulations of any governmental agency as if the particular provisions of the applicable statutes or regulations were set forth herein at length in this Lease.

36. NUMBER AND GENDER

In all references herein to any parties, persons, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require. All the terms, covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective parties hereto, and their heirs, executors, administrators, personal or legal representatives, successors and assigns.

37. ADDITIONAL PROVISIONS

The Tenant located in the subject property shall be relocated within a reasonable period of time based upon the best efforts of the Landlord.

38. LIABILITY FOR PROPERTY TAXES

The Tenant shall be liable for any property taxes assessed against the Premises by state or municipal taxing authorities as a result of the use of the premises by the Tenant.

In Witness Whereof, the parties have set their hands and seals, or caused these presents to be signed by their proper corporate offices and their proper corporate seal to be hereto affixed the day and year first above written.

For Name of the Landlord

By: _____
NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN

Title

For Name of the Tenant

By: _____
NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN

Title

Appendix E: Resources
(Contacts, Websites, and Bibliography)

Contact Information:

The Diocese of Easton

General Information 314 North Street
Easton, MD 21601
Phone: 410.822.1918
Fax: 410.763.8259
Website: www.dioceseofeaston.org

Diocesan Canons Website: www.dioceseofeaston.org

Property Manager Mr. William R. Russell, Jr.
Phone: 410.778.0785
Email: wrussem1@verizon.net

The American Appraisal Service for Episcopal Institutions

General Information Phone: 800-223-6602; Mon.-Fri., 9 a.m. to 5 p.m. ET
Information on Church Pension Group's website:
<http://www.cpg.org>

Church Pension Group/Church Insurance Agency Corporation

General Information 445 Fifth Avenue
New York, NY 10016
Phone: 800-223-6602
Website: <http://cpg.org>

The Pinnacle Policy Website:
<http://www.cpg.org>

Property & Liability
Insurance

Website:
<http://www.cpg.org>
Can access PDF of booklet on “Risk Management and Insurance Basics for Episcopal Organizations”
<http://www.cpg.org>

Risk Management

Website:
<http://www.cpg.org>
Can access PDF of booklet on “Risk Management and Insurance Basics for Episcopal Organizations”

Episcopal Church Building Fund (ECBF)

General Information

Phone: 212-716-6003; 800-334-7626 x 6003
Email: buildchurch@ecbf.org
Website: <http://www.ecbf.org>

Loan Submission

Episcopal Church Building Fund
815 Second Avenue
New York, NY 10017
or Fax: 212-716-6267

Episcopal Church Center

General Information

815 Second Avenue
New York, NY 10017
Phone: 212 716-6000 · 800 334-7626
Website: <http://ecusaanglican.org>
For Constitution and Canons in PDF format:
[Episcopal Church Home Leadership Resources Church Governance and Legislation GC Publications]

The Episcopal Disability Network

General Information

Phone: 1.888.738.3636
Website: <http://www.disability99.org>

**National Council of the Churches of Christ in the USA
(Education and Leadership Ministries Committee on Disabilities)**

General Information 475 Riverside Drive; Suite 812
New York, NY 10115
Phone: 212-870-2267; Fax: 212-870-3112
Website: <http://www.ncccusa.org/>
For Equal Access Guide in PDF or WORD format:
<http://www.ncccusa.org/elmc/disabilitiesmanual.html>

Partners for Sacred Places (Partners)

General Information 1700 Sansom Street—10th Floor
Philadelphia, PA 19103
Phone: 215-567-3234
Fax: 215-567-3235
Email: partners@sacredplaces.org
Website: <http://www.sacredplaces.org>

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_____. *Constitution & Canons*. New York: Church Publishing, 2003.

Alban Institute and the National Organization on Disability. *Money and Ideas: Creative Approaches to Congregational Access*. 2001. (Available through Partners for Sacred Places.)

Architecture and Building Commission of the Roman Catholic Diocese of Albany. *Maintenance Manual: A Program for Inspection and Seasonal Maintenance of Religious Properties*. 1985. (Available through Partners for Sacred Places.)

Episcopal Church Building Fund. *A Congregational Planning Process*. New York, NY: Episcopal Church Building Fund, November 2002.

Episcopal Church Building Fund. *The Church for Common Prayer; A Statement on Worship Space for the Episcopal Church*. New York, NY: Episcopal Church Building Fund.

The Episcopal Church Foundation. *The Vestry Resource Guide*. Memphis, TN: Cornerstone, 2000.

Haynes, Wesley, and Rudin, Andrew and Ryan, J. Thomas. *Inspecting and Maintaining Religious Properties*. New York Landmarks Conservancy, 1991. (Available through Partners for Sacred Places.)

Lynch, Michael F. *How to Care for Religious Properties*. Preservation League of New York State 1982. (Available through Partners for Sacred Places.)

National Organization on Disability. *Loving Justice: The ADA and the Religious Community*. 1995. (Available through Partners for Sacred Places.)

National Organization on Disability. *That All May Worship: An Interfaith Welcome to People with Disabilities*. 1994. (Available through Partners for Sacred Places.)

Patterson, Elizabeth A. and Vogel, Neal A. *Accessible Faith: A Technical Guide for Accessibility in Houses of Worship*. The Retirement Research Foundation, 2003. (Available through Partners for Sacred Places.)

Powell Dean, Peggy and Jones, Susanna A. *The Complete Guide to Capital Campaigns for Historic Churches and Synagogues*. Philadelphia, PA: Partners for Sacred Places, 1998.

Webber, Christopher L. *The Vestry Handbook*. Harrisburg, PA: Morehouse Publishing, 2000.

ADDENDUM Parish Preparedness Checklist

1) Inventory of church property and holdings:

Date of inventory: _____

Inventory as Photographs _____ Video _____ List _____

Copies stored where?

- 1.
- 2.
- 3.

Date of annual review of inventory placed on calendar and/or vestry notes

Person(s) responsible for doing annual inventory:

Property survey:

High risk problems: _____

List of items on surge protectors: _____

Smoke/Fire Alarms: _____

Security System:

Maintained by _____ Phone number _____

Fire Extinguishers:

Maintained by: _____

When: _____ Phone number _____

2) Insurance review:

Date of review:

Person(s) responsible: _____

Who is insurance provider? _____

Who does damage assessment? _____

What are priorities? _____

Who contacts insurance provider? _____

How? PHONE # _____

When?

3) Vital Systems

Utilities:

List Providers and emergency contact numbers

Heating, plumbing, electrical & gas systems:

List contractors and emergency numbers:

Shutdown:

List what is to be done and by whom in emergency or evacuation:

Removal of religious objects or fine arts? (by whom, to where?)

Removal of records? (by whom, to where?)

Backup disks off premises kept at:

List what is to be done and by whom in the event of power failure (esp. in winter)

List and explain where shutoffs are located:

Electricity -

Gas -

Water -

Alarm (s) -

Systems protection: Computers, Musical instruments, furniture, etc.

4) Safety Issues

Exit doors – check functionality and markings

Are exit routs marked?

Are “Safe Spot” locations marked (in event of windstorm or other disaster)

Are flashlights and survival supplies available there?

First Aid kits located: _____

Person responsible for maintaining kits? _____

Who is trained in First Aid? _____

Who is trained in CPR?

Adult CPR -

Child CPR -

Infant CPR -

Annual training of ushers in fire/emergency response on _____

Winter ice removal responsibility of:

Extra “no slip” supplies maintain by _____

Kept accessible where? _____

Cancellation decisions made by _____
Announced how? _____

5) Disaster preparedness (Learn from and coordinate with local authorities)

Local contact names & numbers:

Fire department:

American Red Cross:

County disaster preparedness:

Disaster history of last ten years:

Disasters most likely to occur and potential impact: _____

What evacuation plans or possibilities are there?

How is the public to be informed?

Training for church members planned on _____

Does the church plan to be any of the following in the event of community need?

Shelter provider? _____ Storage provider? _____

Mass care food center? _____ Other: _____

Who is community contact person(s)

For the congregation in the event of local disaster:

Who assesses needs?

Parish communications network:

Attach a list of parishioners at risk or with special needs and contact persons.

Emergency preparedness Committee/Task Force:

Coordinator: _____

Members:

Parish Preparedness Check List submitted by The Rev. Dr. Robert Gribbon