

CONDITIONAL DEED AGREEMENT

This Conditional Deed Agreement is made this _____ day of _____, 20__, by and between _____ [Name of Local Church], an _____ [State] Non-Profit Corporation, which is located at _____ [Street Address, City, State, ZIP] (hereinafter "Local Church") and [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], an _____ [State/Region] Non-Profit Corporation, which is located at _____ [Street Address, City, State, ZIP].

WHEREAS, neither the Church of God (Anderson, Indiana) nor the Church of God in _____ [State/Region] provides through one general organization of the church for the holding of title to all local church real property, but each congregation is autonomous with respect to its business and the holding of real property; and

WHEREAS, it has been found that if the local church solely holds its real property in the name of its trustees, or in the name of the local church corporate entity, there is real risk that the property could be sold, transferred, or otherwise handled in a manner that is inconsistent with the purposes, practices, or doctrine of the Church of God (Anderson, Indiana); and

WHEREAS, the Church of God (Anderson, Indiana) and the Church of God in _____ [State/Region] recommend a plan of conditional deeding, whereby local church property may be safeguarded consistent with the purposes for which it was obtained, namely, for use by and for the local church as a congregation affiliated with Church of God (Anderson, Indiana); and

WHEREAS, Local Church desires to participate in the Church of God Plan of Conditional Deeding,

NOW, THEREFORE, to safeguard the real property of the Local Church and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. LOCAL CHURCH QUIT CLAIM DEED

Local Church agrees to execute and record a Quit Claim Deed conveying fee simple title to its real property, which is located at _____ [Street Address, City, State, ZIP] and which is legally described on Exhibit A to this Agreement (the "Real Property"), to [the Church of God in _____

[State/Region] or Church of God Ministries, Inc.], free and clear of any liens. A sample Quit Claim Deed is attached as Exhibit B to this Agreement.

2. CHURCH OF GOD CONDITIONAL QUIT CLAIM DEED

[The Church of God in _____ [State/Region] or Church of God Ministries, Inc.] agrees to execute and record a Conditional Quit Claim Deed conveying its interest in the Real Property back to the Local Church, a copy of which is attached as Exhibit C to this Agreement, subject to the following conditions:

A. Church Related Activities

Local Church agrees to comply with the following requirements for Church of God congregations affiliated with the Church of God (Anderson, Indiana) throughout the time it is the fee simple owner of the Real Property, and said requirements will be stated as express conditions in the Conditional Quit Claim Deed:

(1) The Local Church must call and retain only senior pastors who are approved, or likely to gain approval, by the state, regional or national assembly of the Church of God under whose jurisdiction the pastor resides, and the Local Church must abide by the procedures for calling a new pastor as set forth in the latest version of the Credentials Manual of the Church of God (Anderson, Indiana);

(2) The Local Church must invite and receive the advice and counsel of the state/regional assembly's credentialing committee, regional pastor/overseer, and/or Church of God Ministries, Inc., Anderson, Indiana, during times of pastoral change or congregational conflict that could lead to a church split;

(3) The Local Church must follow, teach, and implement the Biblical doctrines and teachings commonly accepted as the teaching heritage of the Church of God (Anderson, Indiana);

(4) The Local Church must maintain liability insurance for the Real Property and personal property stored therein, which must include coverage for loss due to fire, storm, vandalism and any other casualties and for claims of sexual misconduct; and

(5) The Local Church must register annually for the Yearbook of the Church of God to affirm its affiliation with the Church of God, Anderson, Indiana.

In the event that the Local Church fails to comply with one or more of the above-stated requirements, or if the Local Church ceases to operate or falls into disuse, or if in the opinion of [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], the Local Church is no longer in fellowship and doctrinal unity with Church of God (Anderson, Indiana), then the Local Church agrees that the Real Property shall go to, vest in, and become the property in fee simple of _____ [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] pursuant to the subsequent recording of the Escrow Quit Claim Deed discussed below.

3. ESCROW DEED

Local Church agrees to execute an Escrow Quit Claim Deed (a copy is attached as Exhibit D to this Agreement) conveying fee simple title to [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], which will be held in escrow by [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] and will only become effective if the Local Church violates one or more of the above-stated conditions in Section 2 of this Agreement and fails to cure the violation(s) within thirty (30) days from receipt of notice of the violation(s) from [the Church of God in _____ [State/Region] or Church of God Ministries Inc]. If the Local Church does not cure the violation(s) within thirty (30) days of receipt of notice of same from [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], then the parties agree that [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] may record the Escrow Quit Claim Deed conveying fee simple interest in the Real Property from the Local Church to [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.]. The Local Church agrees to surrender possession of the real property to [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] on the date when the Escrow Quit Claim Deed is recorded, and thereafter, [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] is permitted to re-enter and take possession of the Real Property and remove the Local Church from possession of the Real Property.

4. SURVEY

Local Church agrees to provide [the Church of God in _____ [State/Region] or

Church of God Ministries, Inc.] with a copy of a Real Property survey, title report, and environmental reports, if any, concerning the Real Property, which the Local Church may have in its possession.

5. RISK OF LOSS

Local Church agrees to be solely responsible for all risk of loss relating to the Real Property during the time it owns the real property under the Conditional Deed.

6. POSSESSION

During the time the Escrow Quit Claim Deed is held in escrow, it is not operative, and the Local Church shall have possession of the real property, pursuant to the terms of the Conditional Quit Claim Deed.

7. RECORDING

The parties agree that this Agreement may be recorded.

8. ASSIGNMENT

A party is not permitted to assign this Agreement without the written consent of the other party.

9. NOTICE

Any notice required or permitted hereunder shall be in writing and mailed, by certified mail, return receipt requested, with proper postage or hand-delivered to the respective parties at their addresses set forth above.

10. GOVERNING LAW

This Agreement shall be governed by the law of the State of _____ [State where Real Property is located]. Venue shall lie in the county where the Real Property is located.

11. ENTIRE AGREEMENT

Upon acceptance, this Agreement shall supersede any and all understandings and agreements and constitutes the entire agreement between the parties hereto and no oral representations or statement shall be considered a part hereof.

12. BINDING EFFECT

Upon acceptance, this Agreement shall bind, and inure to the benefit of the successors, and assigns of the respective parties hereto.

13. RESOLUTION

Both parties represent that this Agreement has been approved by resolution of their respective governing boards (e.g., General Assembly, Board of Trustees), and the individuals signing this Agreement are authorized to sign on the respective party's behalf.

[NAME OF LOCAL CHURCH]:

BY: _____

TITLE: _____

DATE: _____

[NAME OF CHURCH OF GOD IN _____ [STATE/REGION] or CHURCH OF GOD MINISTRIES, INC.]:

BY: _____

TITLE: _____

DATE: _____

EXHIBIT A TO CONDITIONAL DEED AGREEMENT:

[LEGAL DESCRIPTION FOR REAL PROPERTY]