

CONDITIONAL DEEDING PACKET

This Conditional Deeding Packet is designed as a three-step process for Church of God Ministries, Inc., State or Regional Assemblies, and Local Churches to implement a plan of conditional deeding to protect the legacy of Local Church real property, e.g., church buildings and land.

Step 1

The State or Regional Assembly passes a corporate resolution expressing the purpose for conditional deeding and the intent to implement a conditional deeding program with Local Churches. A form resolution is included in this packet.

Step 2

The Local Church passes a corporate resolution expressing its desire to participate in a plan of conditional deeding and authorizing its leaders to execute the necessary documents to protect the legacy of the church's real property. A form resolution is included in this packet.

Step 3

The Local Church executes a Conditional Deed Agreement with the State or Regional Assembly or Church of God Ministries, Inc. Through the Conditional Deed Agreement, the Local Church agrees to protect the legacy interests of its real property through a three step process. First, the Local Church conveys its real property to the State/Regional Assembly or Church of God Ministries through a Quit Claim Deed, which is recorded with the local county recorder's office. Next, the State/Regional Assembly or Church of God Ministries, Inc. conveys the real property back to the Local Church through a Conditional Quit Claim Deed, which is recorded. The Conditional Quit Claim Deed includes certain basic standards for Church of God congregations taken directly from the Church of God Credentials Manual, which are stated as conditions. The Local Church owns the real property so long as it continues to satisfy the conditions in

the Conditional Quit Claim Deed. If the Local Church subsequently fails to meet the conditions, then after being given 30 days to correct the situation, the State/Regional Assembly or Church of God Ministries, Inc. can record a third quit claim deed called the Escrow Quit Claim Deed, which will transfer the Local Church's real property back to the State /Regional Assembly or Church of God Ministries. The Escrow Quit Claim Deed is held in escrow and not recorded unless the Local Church fails to comply with the conditions in the Conditional Quit Claim Deed. All three deeds—the Quit Claim Deed, the Conditional Quit Claim Deed, and the Escrow Quit Claim Deed are executed at the same time as the Conditional Deed Agreement. A form Conditional Deed Agreement and forms for each of the three deeds referenced above also are included in this packet.

By implementing this three-step process, Local Churches, working with their state, regional, or national leadership will be able to protect the legacy of their real property and ensure that the church building and land continue to be used to further God's Kingdom through the ministry of the Church of God.

STEP 1

**RESOLUTION OF STATE OR REGIONAL
ASSEMBLY TO IMPLEMENT
CONDITIONAL DEEDING PROGRAM
WITH LOCAL CHURCHES**

CHURCH OF GOD IN _____ [STATE/REGION] CONDITIONAL DEED RESOLUTION

WHEREAS, the Church of God in _____ [State/Region], with general offices located at _____ [Street Address/City/State/Zip], does not provide through one general organization of the state/regional assembly, nor in conferences, for the holding of title to all local church property, but each congregation is autonomous so far as its business and the holding of church property is concerned; and

WHEREAS, it has been found that by holding local church real property solely in the name of trustees, or in the name of the business corporation of the local church, there is always the danger of the loss of such property to other interests inconsistent with the work of the Church of God in _____ [State/Region], and

WHEREAS, in recent years the Church of God in _____ [State/Region] has become aware of several examples of such loss or difficulty; and

WHEREAS, the General Assembly of the Church of God in _____ [State/Region] recommends a program of conditional deeding, whereby local church property may be safeguarded consistent with the original purpose for which it was obtained; namely, for use by and for the local church consistent with the purposes of Church of God in _____ [State/Region], and

NOW, THEREFORE, BE IT:

RESOLVED that the Church of God in _____ [State/Region] is hereby authorized to enter into a Program of Conditional Deeding with the local Church of God congregations within its jurisdiction.

FURTHER RESOLVED, that the State Pastor of the Church of God in _____ [State/Region] is authorized to execute such documents (e.g., Conditional Deed Agreement, Conditional Deed, etc.) as may be necessary to implement the Program of Conditional Deeding for local Church of God congregations in _____ [State/Region].

FURTHER RESOLVED, that this resolution be kept on file in the corporate records of the Church of God in _____ [State/Region] and that a copy of the resolution be sent to the Chief Legal Officer for Church of God Ministries, Inc., Anderson, Indiana.

(Signed) _____,
State/Regional Pastor for the General Assembly
of the Church of God in _____

Date: _____

(Signed) _____, Secretary

STEP 2

**RESOLUTION OF LOCAL CHURCH TO
ENTER INTO CONDITIONAL DEEDING
PROGRAM WITH STATE OR REGIONAL
ASSEMBLY OR CHURCH OF GOD
MINISTRIES, INC.**

LOCAL CHURCH RESOLUTION AUTHORIZING CONDITIONAL DEED

WHEREAS, the Church of God in _____ [State/Region] with general offices in _____ [City], _____ [State], does not provide 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) or the Church of God in _____ [State/Region]; and

WHEREAS, the General Assembly of the Church of God (Anderson, Indiana) and the General Assembly of 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:

Therefore, be it

RESOLVED, that we, the members of _____ [Name of Local Church] of _____ [City], _____ [State] do hereby approve the plan of conditional deeding recommended by the General Assembly of the Church of God in Anderson, Indiana and in _____ [State/Region]; and **be it further**

RESOLVED, the our pastor, _____ [Name], the officers of the business organization of this congregation, and/or the Board of Trustees of our congregation be and is hereby authorized to implement conditional deeding to safeguard the real property of our church located at _____ [Street Address/City/State], which is legally described as follows:

[Give property description as it appears in the deed(s) to the property]

and **be it further**

RESOLVED, that authorization be, and is hereby, given to officers of the business organization of this congregation and/or Board of Trustees, and our pastor to take such steps and execute such documents as are necessary to include in the deed(s) to the property described above the following safeguarding clause:

“To have and to hold, so long as the local Church of God known as _____
[Name of Local Church], located at _____ [Street Address],
_____ [City], _____ [State/Zip Code], complies with the
following requirements for Church of God congregations affiliated with :

1. The local church's ministers and ministerial candidates must be licensed and/or ordained through the district and state organizations;

2. The local church invites and receives the advice and counsel of the state/regional assembly's credentialing committee, regional pastor/overseer, and/or Church of God Ministries, Anderson, Indiana, during times of pastoral change or congregational conflict;

3. The local church is involved in area, district, state, and national ministries of the Church of God movement, including such joint activities as worship, training, recreation, and mission projects;

4. The local church follows, teaches, and implements the Biblical doctrines and teachings commonly accepted as the teaching heritage of the Church of God, Anderson, Indiana; and

5. The local church registers at least once every two years 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 General Assembly of the Church of God in _____ [State/Region], the

_____ [Name of Local Church] located at _____ [Street address]

is no longer in fellowship and doctrinal unity with Church of God, Anderson, Indiana, then this property shall go to, vest in, and become the property in fee simple of _____ [Name of State/Regional Assembly or Church of God Ministries, Inc.]"; and **be it further**

RESOLVED, that a copy of this resolution, certified by the secretary and pastor of the congregation, shall be sent to _____ [Name of State/Regional Assembly or Church of God Ministries, Inc.].

* * * * *

This is to certify that the above is a true and correct copy of a resolution passed at a duly called business meeting of _____ [Name of Local Church], located at _____, [Street address/City/State] held on _____ [Date/Year] at _____ [Place], a quorum being present; and there having been announcements of said business meeting made consistent with and as required by the Bylaws of this congregation, prior to the time of meeting, and that there were _____ [Number] voting members present with _____ [Number] voting in favor of the resolution and _____ [Number] voting against it.

Date: _____

(Signed) _____
[Pastor]

(Signed) _____
[Secretary]

STEP 3

CONDITIONAL DEED AGREEMENT BETWEEN LOCAL CHURCH AND STATE OR REGIONAL ASSEMBLY OR CHURCH OF GOD MINISTRIES, INC. WITH EXHIBITS

EXHIBIT A: Legal Description of Real Property

**EXHIBIT B: Form Quit Claim Deed from Local
Church to State/Region or Church of
God Ministries**

**EXHIBIT C: Form Conditional Quit Claim Deed
from State/Region or Church of God
Ministries to Local Church**

**EXHIBIT D: Form Escrow Quit Claim Deed from
Local Church back to State/Region or
Church of God Ministries**

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 calls and retains 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 abides 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 invites and receives 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;

(3) The Local Church is involved in area, district, state, and national ministries of the Church of God movement, including such joint activities as worship, training, recreation, and mission projects;

(4) The Local Church follows, teaches, and implements the Biblical doctrines and teachings commonly accepted as the teaching heritage of the Church of God (Anderson, Indiana);

(5) The Local Church is supportive and respectful toward its pastors, elected leaders, and toward the state, regional or national leaders of the Church of God with responsibilities for the district or

region in which the local church is located, and the Local Church attempts to live peaceably, both internally among local church members and leadership, and with outside persons or entities;

(6) The Local Church maintains 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

(7) The Local Church registers 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 _____ [Church of God in _____ [State/Region] or Church of God Ministries, Inc.] pursuant to the recording of the Escrow Quit Claim Deed discussed below.

B. Liens

Local Church agrees to keep the Real Property free and clear of all liens, including mortgages, except liens, and/or mortgages, to which [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.] gives advance consent.

C. Real Property Taxes

In the event the Real Property is not exempt, or should lose its exemption, from real property taxes, then Local Church agrees to timely pay all real property tax due on the Real Property.

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]

EXHIBIT B TO CONDITIONAL DEED AGREEMENT

[FORM QUIT-CLAIM DEED FROM LOCAL CHURCH TO STATE/REGION OR CHURCH OF GOD MINISTRIES, INC.]

QUIT CLAIM DEED

The GRANTOR, _____ [Name of Local Church], an _____ [State] Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], hereby Quit Claims by donation to GRANTEE, [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], an _____ Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], the real property legally described on Exhibit A, which Exhibit A is attached hereto and incorporated herein by reference thereto, including any and all interests of the GRANTOR in the real property.

This deed is executed, acknowledged and delivered by the GRANTOR and accepted by the GRANTEE subject to all easements, restrictions and covenants of record, applicable building, zoning and use regulations.

Prior Instrument Reference: _____.

Exempt from real estate sales tax pursuant to _____.

Executed this ____ day of _____, 20__.

GRANTOR:

[Name and Title of person authorized to execute deed for Local Church]

State of _____,
_____ **County, ss:**

Executed before me, a Notary Public, in and for said County and State, on the ____ day of _____, 20__, by the above-named _____ [Name of person authorized to execute deed for Local Church], authorized representative for _____ [Name of Local Church], who represented to me to be said person, and who acknowledged that he/she did sign the foregoing instrument and that the same is his/her free act and deed individually and as duly authorized representative of GRANTOR.

NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

EXHIBIT A TO QUIT CLAIM DEED

[PROPERTY DESCRIPTION]

EXHIBIT C TO CONDITIONAL DEED AGREEMENT

[FORM CONDITIONAL QUIT-CLAIM DEED FROM STATE/REGION OR CHURCH OF GOD MINISTRIES, INC. TO LOCAL CHURCH]

CONDITIONAL QUIT-CLAIM DEED

The GRANTOR, _____ [the General Assembly of the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], an _____ Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], hereby Quit Claims by donation to GRANTEE, _____ [Name of Local Church], an _____ [State] Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], the Real Property legally described on Exhibit A, which Exhibit A is attached hereto and incorporated herein by reference thereto, including any and all interests of the GRANTOR in the real property, subject to the following conditions:

GRANTEE (hereinafter "Local Church") agrees to comply with the following requirements for Church of God congregations affiliated with the Church of God (Anderson, Indiana) and the Church of God in _____ [State/Region] throughout the time it is the fee simple owner of the Real Property:

- (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;
- (3) The Local Church must be involved in area, district, state, and national ministries of the Church of God movement, including such joint activities as worship, training, recreation, and mission projects;
- (4) 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);
- (5) The Local Church must be supportive and respectful toward its pastors, elected leaders, and toward the state, regional or national leaders of the Church of God with responsibilities for the district or region in which the Local Church is located, and the Local Church must attempt to live peaceably, both internally among local church members and leadership, and with outside persons or entities;
- (6) 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

(7) 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 recording of a subsequent Quit Claim Deed held in escrow by [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.].

This deed is executed, acknowledged and delivered by the GRANTOR and accepted by the GRANTEE subject to all easements, restrictions and covenants of record, applicable building, zoning and use regulations.

Prior Instrument Reference: _____.

Exempt from real estate sales tax pursuant to _____.

Executed this ____ day of _____, 20__.

GRANTOR:

**Name and Title of person authorized to execute deed
for [Church of God in _____ [State/Region]
or Church of God Ministries, Inc.]**

State of _____,
_____ **County, ss:**

Executed before me, a Notary Public, in and for said County and State, on the ____ day of _____, 20__, by the above-named _____ [Name of person authorized to execute deed], authorized representative for _____ [Church of God in _____ [State/Region] or Church of God Ministries, Inc.], who represented to me to be said person, and who acknowledged that he/she did sign the foregoing instrument and that the same is his/her free act and deed individually and as duly authorized representative of GRANTOR.

NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

EXHIBIT A TO CONDITIONAL QUIT CLAIM DEED

[PROPERTY DESCRIPTION]

EXHIBIT D TO CONDITIONAL DEED AGREEMENT

[FORM ESCROW QUIT-CLAIM DEED FROM LOCAL CHURCH TO STATE/REGION OR CHURCH OF GOD MINISTRIES, INC.]

ESCROW QUIT-CLAIM DEED

The GRANTOR, _____ [Name of Local Church], an _____ [State] Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], hereby Quit Claims by donation to GRANTEE, [the Church of God in _____ [State/Region] or Church of God Ministries, Inc.], an _____ Non-Profit Corporation, which is located at _____ [Street Address, City, State, Zip], the real property legally described on Exhibit A, which Exhibit A is attached hereto and incorporated herein by reference thereto, including any and all interests of the GRANTOR in the real property.

This deed is executed, acknowledged and delivered by the GRANTOR and accepted by the GRANTEE subject to all easements, restrictions and covenants of record, applicable building, zoning and use regulations.

Prior Instrument Reference: _____.

Exempt from real estate sales tax pursuant to _____.

Executed this ____ day of _____, 20__.

GRANTOR:

[Name and Title of person authorized to execute deed for Local Church]

State of _____,
_____ **County, ss:**

Executed before me, a Notary Public, in and for said County and State, on the ____ day of _____, 20__, by the above-named _____ [Name of person authorized to execute deed for Local Church], authorized representative for _____ [Name of Local Church], who represented to me to be said person, and who acknowledged that he/she did sign the foregoing instrument and that the same is his/her free act and deed individually and as duly authorized representative of GRANTOR.

NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

EXHIBIT A TO ESCROW QUIT CLAIM DEED

[PROPERTY DESCRIPTION]