

SECTION 6 – PROPERTIES

Origin:	TOTP Investment Committee	
Status:	Policy	
Distribution:	All Parishes	
Approved:	Coordinating Council	Date: 23 November 2012
Revision:	Coordinating Council	Date: 18 November 2016]
Revision:	Coordinating Council	Date: 21 November 2020

6.4 Parish Loans and Mortgages

6.4.1 Purpose

It is of the legal opinion that since:

- a) A parish in the Territory of the People Anglican Church (the Territory) is not a legal entity even though they may deal with banks on a contractual basis from time to time,
- b) The existence of the Trustee (church property) Act of British Columbia recognizes the right of religious organizations to pledge or mortgage their lands or secure loans further emphasizes the fact that congregations do not, per se, have legal capacity outside of the Act,
- c) The Territory of the People Anglican Church / Fraser Basin Property Society is the owner of all real property in the Territory and is a legal entity incorporated under special act of the legislature of the Province of British Columbia and authorized under the act of incorporation to mortgage land etc.

6.4.2 Process

The following is the process by which any parish loans secured by mortgages shall be obtained:

- a) The terms and conditions of the loan must be approved by the wardens, incumbent and church committee
- b) The parish will then apply to the Bishop and Administration Committee for approval to borrow from the Investment Portfolio Capital Fund and request that the Territory make the loan and provide the requisite security on behalf of the parish.
- c) The parish must provide a written authorization and indemnity to the Bishop and Administration Committee (as per the example below), before any loan documents or mortgages are signed.

- d) The loan shall then be taken out by the Territory as the borrower with the Territory to sign all the loan and security documents. Documents other than the mortgage itself shall first be signed by the wardens of the parish, then the Territory.
- e) The Fraser Basin Property Society (FBPS) may, on request from the Territory of the People Anglican Church (the Territory), execute a mortgage of any of the properties it holds in trust to secure money borrowed by the Territory. However the FBPS shall not give a covenant to pay the debt, and the mortgage documentation must expressly exclude the existence of a covenant to pay the debt secured by the mortgage.
- f) The parish will make all the payments and undertake to indemnify the Territory in return for receiving the loan proceeds.
- g) Loans will be approved by the Administration Committee from the Capital Fund and will be charged at the Bank of Nova Scotia Prime Rate plus .25% at the time of the loan approval.

The following process is also outlined in Policy 6.5 Requests for Grants for Capital Expenses >\$1,000.

1. Administration Committee will decide on the merit of the application.
2. In the case of an emergency an application may be submitted to the Administration Committee for consideration
3. A motion from the Church Committee must be received with the application
4. Contracts and Agreements:
 - a. must be completed in the name of the Parish (not Fraser Basin Property Society)
 - b. must be signed by the Incumbent/Ministry Developer and Wardens of the Parish by motion of the Church Committee.
 - c. Where there is no Incumbent/Ministry Developer, the Bishop will act as authorized signatory on behalf of the Incumbent/Ministry Developer.

Authorization and Indemnity

In the matter of _____ name of parish

Loan from the Territory of the People Anglican Church

In the amount of \$_____ @ _____ % per annum (Prime Rate: _____% + .25%)

for a _____ year term

To: The Territory of the People Anglican Church
360 Nicola Street
Kamloops BC V2C 2P5

The undersigned _____ and _____

(being the current Wardens of the Parish) of _____

(the "Parish"), hereby acknowledge and confirm that the Church Committee of the Parish and the Wardens thereof have authorized the above loan to be made for the benefit of the Parish and that on behalf of the Parish, the Wardens have read and approved of all the security documents submitted on behalf of and required by:

(Lending Institution)

The undersigned Wardens hereby further acknowledge, confirm and certify that:

1. All the terms and conditions of the loan have been approved by the Church Committee of the Parish on the understanding and condition that the loan, which is taken by the Territory of the People Anglican Church (the Territory), as agent for the Parish, is for the benefit of the Parish and that the Parish is wholly and solely responsible for making all payments on the loan and will receive the entire proceeds of the said loan;
2. The Parish, through its Church Committee and Wardens, now requests the Territory to execute all of the required security documents relating to the said loan, as Borrower, subject to the aforesaid conditions and understandings;
3. The Parish is bound by all the terms and conditions of the said security documents notwithstanding the execution thereof by the Diocese as formal borrower thereunder;
4. The Parish will indemnify and save harmless the Territory with respect to any and all obligations and liability under or arising out of or relating to the said loan and the execution and delivery by the Territory of all security relating thereto.

CERTIFIED CORRECT and dated at _____ BC,

this _____ day of _____, AD _____

Signed:

Parish: _____ Per: _____
Warden and Authorized Signatory

Per: _____
Warden and Authorized Signatory

TOTP: _____
Authorized Signatory Authorized Signatory