

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

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 (TOTP) 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 TOTP 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 TOTP 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 TOTP as the borrower with TOTP 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 TOTP.

- e) The Fraser Basin Property Society (FBPS) may, on request from the Territory of the People Anglican Church (TOTP), execute a mortgage of any of the properties it holds in trust to secure money borrowed by TOTP. 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 TOTP in return for receiving the loan proceeds.

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 (_____ 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 TOTP, 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 TOTP 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 TOTP 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 TOTP 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