

**CONGREGATIONAL MEETING RESOLUTION
CONCERNING 112 N. WASHINGTON STREET PROPERTY:
APPROVING ENCUMBRANCE OF CHURCH PROPERTY
AND TRANSFER OF CERTAIN PROPERTY RIGHTS**

Whereas, the Canons of the General Convention of The Episcopal Church (TEC Canons) and the Canons of the Diocese of Virginia (Diocesan Canons) require that certain approvals be given before property held in trust by a parish church can be encumbered and before property rights associated with consecrated property can be transferred, and

Whereas, as a matter of law, all real property held by Christ Church, Alexandria, as a parish in the Diocese of Virginia and TEC, is held in trust for the Diocese and TEC, and held by trustees appointed by the Rector and Vestry and approved by the Circuit Court; and

Whereas, the TEC Canons and Diocesan Canons require approvals from the Standing Committee and the Diocesan Bishop or Ecclesiastical Authority for such encumbrances and transfers, on the same terms as are approved by the congregation, followed by appropriate ratification by the Circuit Court for such property held in trust; and

Whereas, Christ Church holds the property known as 112 N. Washington Street in trust, and is the landlord in a commercial lease for most of that property, which lease expires January 31, 2023; and

Whereas, since 2015, the Vestry and Rector of the parish have diligently explored options for the wisest long term use of that property, and have concluded that redevelopment of that property is the wisest course for the short and long-term future of the parish and the best stewardship of that real property; and

Whereas, this Resolution provides the key terms to satisfy canonical and legal requirements for such future use of the property and to guide the vestry and rector in the exercise of their informed discretion through the proposed redevelopment of the adjacent property, at 112 North Washington Street, through the multi-year process required for any such redevelopment,

Now therefore, be it

Resolved, by the Congregational Meeting of Christ Church, Alexandria, gathered at its annual meeting on Sunday, March 6, 2022, as follows:

1. **Ground Lease Terms.** The vestry and rector are authorized to encumber the real property at 112 N. Washington Street by entering into an unsubordinated ground lease for that property on commercially reasonable terms for the Alexandria –Arlington commercial real estate market at the time the lease is signed, provided the following key terms are included in the ground lease:
 - a. The term of the ground lease shall not exceed 99 years;
 - b. The ground rental income shall be at a competitive rate for similar land density in this commercial real estate market, taking into account (1) the unsubordinated nature of the lease, and (2) any space provided for exclusive parish use as part of the consideration for the lease;
 - c. The rental rate provisions shall include terms to make appropriate future rental adjustments to address future market conditions over the life of the lease;
 - d. Appropriate arrangements are made in accord with good commercial practice for the continued viable operations of HVAC systems serving 118 N. Washington Street and 112 N. Washington Street through and after completion of construction.
2. **Consistent Future Implementing Agreements.** The vestry and rector are authorized to enter into appropriate future lease amendments and development agreements to implement the

contemplated redevelopment of 112 N. Washington Street, provided the terms of the future amendments and agreements are reasonably consistent with the terms of this resolution.

3. **Transfer of Development Density.** As part of any proposed redevelopment of 112 N. Washington Street, and in consideration of ground rent to be paid by the developer and any reserved space for the church's use, the rector and vestry are authorized to agree to the transfer by appropriate legal means of certain excess development density and/or open space rights currently ascribed to the parcels at the property known as 118 N. Washington Street, including the church yard, to 112 N. Washington Street.
4. **No Other Encumbrance or Transfer Authorized.** This Resolution does not authorize any other encumbrance or any mortgage of any church real or personal property nor any other transfer of church property rights.
5. **Non-liability of the Church for Loans Secured on Improvements at 112 N. Washington Street.** In no event shall the parish, its trustees, rector, or vestry, or the Diocese of Virginia, or The Episcopal Church be liable for the repayment of any developer loans or any other obligations of the tenant under the ground lease for 112 N. Washington Street.

Respectfully submitted,

Russell V. Randle
On Behalf of the Vestry