

## **EPISCOPAL DIOCESE OF PITTSBURGH AND PARISHES ANNOUNCE AGREEMENT**

*The following is the text of a Joint Statement issued February 28, 2018, by the Episcopal Diocese of Pittsburgh of the Episcopal Church in the United States and the following congregations of the Anglican Diocese of Pittsburgh: St. Peter's Anglican Church, Butler; St. Mary's Church, Charleroi; Christ Church, Fox Chapel; Christ's Church, Greensburg; St. Alban's Anglican Church, Murrysville; Church of the Ascension, Oakland; St. Stephen's Church, Sewickley; St. Peter's Church, Uniontown; and Trinity Church, Washington, collectively referred to as the "Parishes."*

The Episcopal Diocese of Pittsburgh and the Parishes are pleased to announce that they have amicably reached an agreement that resolves disputed questions over the ownership and use of the church property that have lingered since the congregations voted to leave The Episcopal Church in October 2008.

The comprehensive Agreement was reached with the assistance of two distinguished mediators, namely, David L. McClenahan of the law firm K&L Gates, LLP and Mark Nordenberg, Chancellor Emeritus of the University of Pittsburgh and former Dean of its Law School, following years of confidential negotiations and intense consideration by representatives of all parties.

The Agreement defines the respective rights, obligations and expectations of the parties relative to the historic real and personal property of each of the Parishes. As a result of the Agreement, the Parishes and the Episcopal Diocese can now move forward to focus on their respective missions, knowing what is expected from each other in their new relationship under the Agreement.

By resolving these issues of ownership and use of church property, the Agreement allows the Parishes and the Episcopal Diocese to continue in their ministry without supporting or engaging in lawsuits involving the other. Both the Episcopal Diocese and the Parishes followed lessons contained in the Gospels and all of Scripture in reaching this Agreement.

“Even though the issues resolved here originated through division and were often the cause of great pain, we know that as Christians we are called to be ambassadors for Christ and ministers of reconciliation, first among ourselves, and then with the larger world. The Episcopal Diocese and the Parishes have come to recognize that our mutual desire to live according to the Gospel and to share with others the Good News of Jesus Christ far outweighs any differences we have with each other, and this agreement frees us to carry out that mission as we believe God is calling us to do,” said Bishop Dorsey McConnell of the Episcopal Diocese.

Bishop James Hobby of the Anglican Diocese of Pittsburgh issued the following statement in support of the parishes entering into this agreement: “I feel that the settlement is quite remarkable, given the litigious culture in which we live. Clearly, hard work and difficult conversations were part of the negotiations. But, biblical principles and a shared commitment to follow Christ provided a healthy context for pursuing the discussions with mutual respect and understanding. A commitment to our fundamental mission was greater than our differences. While differences remain between the parties, I pray that Jesus’ prayer for unity in Him and His truth will one day find expression throughout the Church.”

A summary of the Agreement is contained with this announcement. It will become effective after the parties obtain the necessary court and administrative approvals.

## **EXECUTIVE SUMMARY OF THE AGREEMENT BETWEEN THE EPISCOPAL DIOCESE OF PITTSBURGH AND THE PARISHES**

### **A Distinctively Christian Compromise Resolution**

The Agreement between the Episcopal Diocese and the Parishes represents the culmination of the efforts of the Parishes and the Episcopal Diocese to find ways to seek blessing on one another. The following overarching principles characterize the spirit of the Parties' efforts to resolve their differences and are embedded in this Agreement:

- 1) The Parishes and the Episcopal Diocese mutually recognize that they are seeking to be faithful to their Christian call as they perceive it, and to their conscience;
- 2) The Parishes and the Episcopal Diocese and their members will work together, as believers in Christ and his teachings on forgiveness, to forgive any wrongs and failures of charity;
- 3) The Parishes and the Episcopal Diocese have consciously and deliberately agreed to seek blessing on each other, and to the release of prior disputes and contentions, and will not seek, directly or indirectly, to damage the health and future of one another's ministries;
- 4) This Agreement is intended to assure that all the Parishes and the Episcopal Diocese can survive and thrive;
- 5) The Parishes and the Episcopal Diocese entered into this Agreement with the desire and intent to enable all involved to move past litigation and instead to focus on their respective missions; and
- 6) The Parishes and the Episcopal Diocese entered into this Agreement to demonstrate their respective and shared commitment to be reflections of God's will, mindful of the public and private impact of their disagreements.

These principles guided the discussions that led to this Agreement, and will guide the Parties in their mutual efforts to carry out this Agreement.

The Agreement is a compromise resolution of disputed claims and contentions regarding the respective rights and obligations of the Parties to the ownership and control over the governance and property of the Parishes that have existed since October 4, 2008. The Agreement is not an admission by any Party that any of the legal positions of any other Party on these disputed claims and contentions were correct, or an admission by any Party that any of its own legal positions were incorrect. Rather, the Agreement moves past the disputes to resolve the legal controversies and end the uncertainties on the terms set forth in the Agreement.

## **The Real and Personal Property**

The Parties will cooperate in identifying all real and personal property held by or for the benefit of the Parish as either "Historic Property" or "Subsequently Acquired Property." Historic Property is property held by or for the benefit of a Parish as of October 4, 2008, including any later change in value or thing. Historic Property also includes property acquired after that date, but acquired under the terms of a will or trust executed before that date. Subsequently Acquired Property is all property that is not Historic Property or the proceeds of Historic Property. The Agreement sets forth a process and guidelines to aid the Parties in identifying the proper category for property.

## **How the Parties Will Relate to One Another and the Historic Property**

The Parties affirm through the Agreement that each of the Parishes owns the legal title to the Historic Real and Personal Property of the Parish, and that the Episcopal Diocese has beneficial (that is, trust beneficiary) rights in the Historic Real and Personal Property of each of the Parishes which are preserved under the Agreement. Under the Agreement, the Episcopal Diocese disclaims any trust interest in the Subsequently Acquired Real and Personal Property of each of the Parishes.

Under the Agreement the Parishes will continue to use the church buildings and other real property that is part of the Historic Property for their Christian worship and ministry. The Parishes have agreed that the Episcopal Diocese may make use of the Parish historic church buildings to meet pastoral needs consistent with the shared history, Christian heritage, values and beliefs of the Parties, or to engage in joint ministries with the Parish. The Parties have agreed to a cooperative process to address such issues.

The Parishes have agreed they will not lease, sell, assign their interests in, alter or encumber the historic church buildings without the consent of the Episcopal Diocese, and the Episcopal Diocese has agreed to cooperate with any such request and to not withhold its consent unreasonably. The Agreement specifies several factors or circumstances to be considered in the event of such a transaction.

Each of the Parishes will continue to maintain, preserve, insure and pay all costs of operating the Historic Real and Personal Property. The Parties have agreed that the Episcopal Diocese will be entitled to obtain sufficient information to confirm that the Parishes are meeting those obligations.

The Agreement also addresses the respective rights and obligations of the Parties relative to the historic endowments and bequests. All original express donor-imposed restrictions will be respected, and there will be no change in which Party continues to serve as trustee. The Parties will meet periodically to discuss the portion of such historic endowments or bequests that will be deemed "income" available for use by the Parish in accordance with the terms of the historic endowment or bequest, and have agreed upon a process for fixing that amount each year. The Parishes will not take any other distributions from the historic endowments or bequests without the consent of the Episcopal Diocese, which has agreed not to unreasonably withhold such consent. The

Agreement specifies a number of factors to be considered in reviewing a request to invade the principal of an historic endowment or bequest. The Agreement also provides for the same general process relating to the ability of the Parishes to pledge or encumber the historic endowments and bequests.

As part of the Agreement, each of the Parishes will pay an annual fee to the Episcopal Diocese. For the first 20 years of the Agreement, the annual fee will be 3.25% of the operating revenues of the Parish for the prior calendar year. For each year thereafter, the annual fee will be 1.75% of the operating revenues of the Parish for the prior calendar year.

There are provisions addressing what is to occur if a Parish discerns the need to cease its use of any of the Historic Real and Personal Property, so that the Episcopal Diocese is able to take steps to preserve and protect its beneficial interest in the Historic Real and Personal Property, and the Parish is able to take steps to preserve and protect its interest in the Subsequently Acquired Real and Personal Property.

Because of the long-term nature of the Agreement, the Parties will designate representatives to be contact persons under the Agreement and to meet at least once a year to review the Parties' relationship with one another under the Agreement, and any questions or concerns that have arisen between them. Similarly, when a Parish learns of a planned or actual vacancy in the position of Rector or priest-in-charge, they will let the Episcopal Diocese know, and make arrangements for a meeting with the new Rector or priest-in-charge after the vacancy has been filled to review the relationship between the Parties under the Agreement. At all times, the overarching principles set forth in the Agreement are to guide the Parties in their mutual efforts to carry out the Agreement.

The Parties will cooperate to preserve and afford access to Parish records and files.

The Agreement remains in effect so long as a Parish continues to use the Historic Property and chooses to remain separate from the Episcopal Diocese.

Should any disagreement arise between the Parties after the Agreement goes into effect, the Agreement requires that the Parties first attempt to resolve the dispute promptly as fellow Christians through direct exchange of information and discourse. The Parties will listen to one another carefully and seek to understand each other's concerns, and explore every option for an amicable resolution of the dispute that brings healing and peace to the relationship between the Parties under the Agreement. If that fails to resolve the dispute, the Agreement carefully identifies the path the dispute must follow, which may include mediation, arbitration or a court proceeding, depending upon the nature of the dispute.

### **A Collective Agreement But Separate Contracts**

While the Parishes have entered into the Agreement collectively, their obligations under the Agreement are several, and not joint, as if the Agreement was a series of separate written contracts between the Episcopal Diocese and each of the Parishes.

## **What Remains to Be Done**

The Agreement has obtained the necessary approvals by the Episcopal Diocese and each of the Parishes, but will not go into effect until it also obtains the necessary Court and administrative approvals. Because of the nature of the Agreement, the Parties will be providing a copy of the Agreement to the Office of the Attorney General and will be requesting the issuance of a No Objection Letter from that office. In addition, the Parties will ask The Honorable Joseph M. James to approve the Agreement in his capacity as a Judge of the Orphans' Court Division of the Allegheny County Court of Common Pleas for matters related to the 2005 Stipulation and Order entered in the proceeding Calvary Episcopal Church v. The Rt. Rev. Robert William Duncan, et al., No. GD-03-020941 (C.P. Allegheny Cty.).

Subject to the required Court and administrative approvals, the Agreement provides a way for the Episcopal Diocese and the Parishes to go forward with their respective principal missions and ministries with clarity as to their rights and obligations regarding the church property.

*This Executive Summary has been prepared to share the essential terms of the Agreement with the public. In the event of any discrepancy, the actual language of the Agreement is controlling.*