

**PRESBYTERY OF WEST VIRGINIA  
REPORT OF THE TASK FORCE TO PREPARE A COVENANT WITH  
FRIENDS OF BLUESTONE  
MAY 16, 2009**

**RECOMMENDATION:**

1. Endorse the “Covenant By and Between the Presbytery of West Virginia and the Friends of Bluestone” and authorize the Moderator to sign on behalf of the presbytery.
2. That the Task Force be dismissed with thanks.

**Background and Rationale**

At a special meeting on Aug. 27, 2008, the Presbytery of West Virginia considered a report from a task force appointed by presbytery’s council to recommend to Council a “camping and retreat rationale for the Presbytery.” The task force was to “consider all options, including expanding or closing Bluestone, as well as other camping/retreat ministry possibilities.”

The task force recommended that the presbytery divest itself of Bluestone and seek another entity to operate the camp, or if unable to find another operator, to return the land to the U.S. Army Corps of Engineers. A counterproposal, prepared by the group called Friends of Bluestone, was presented to Presbytery, suggesting a partnership in which the Friends would raise money for the continued support of the camp.

Presbytery adopted the counterproposal and endorsed “creation of Friends of Bluestone for the purposes stated in the counterproposal, ... and the development of a covenant between Friends of Bluestone and the Presbytery of West Virginia with the moderator appointing a task force to work with the representatives from Friends of Bluestone to draft a covenant to be presented to a later meeting of Presbytery for its consideration.”

Moderator Kristi Moore appointed the following persons to represent the presbytery on the task force: the Rev. Cinda Harkless, the Rev. Paul Romine, Elder Parry Johnson, Moderator-Elect Jim Rowe and Elder George Lilley. The Friends of Bluestone were represented by Scott Adams, Steve Hopta, the Rev. Ed Pettus, Chris Rogillio and Ben Sutton. Executive Presbyter Gay Mothershed, Treasurer Lois Coffey and Stated Clerk John A. Bolt provided support to the discussions.

The writing team held its first meeting on November 18, 2008 and through multiple subsequent meetings, plus significant preparatory work by Johnson and Adams, developed a covenant that was presented to presbytery for its approval on March 21, 2009. Presbytery voted to refer the proposed Covenant back to the writing team to address some specific concerns. The team then held one more meeting, discussed the concerns and made several changes to address the majority of those concerns.

Accordingly, the team presents this amendment covenant for presbytery’s consideration.

The Covenant:

- Reflects the mutual desire of the Presbytery and Friends of Bluestone to the future viability of the Bluestone Conference Center;
- Commits the FOB and Presbytery to stated levels of funding for the next two years;
- Commits FOB to conduct fundraising and commits the Presbytery to cooperate with FOB in fund raising efforts;
- Commits the Presbytery to exercise its ongoing administrative responsibilities for the Center;
- Commits FOB to provide quarterly financial accountings to Presbytery's Camps Conferences and Retreat Ministries Committee;
- Commits FOB to communicate in its fundraising efforts that funds raised for Bluestone should not be made at the expense of continuing support of the Presbytery of West Virginia ministries;
- Specifies that the Covenant may be continued or terminated at the end of two years depending on meeting specified financial goals.

This covenant meets the mandate of Presbytery's August meeting and has been unanimously approved by all representatives of both the Presbytery and Friends of Bluestone. Its implementation and success will undergird Bluestone's funding for repairs, maintenance, operations and capital improvements.

## COVENANT

**By And Between**  
**THE PRESBYTERY OF WEST VIRGINIA**  
**And**  
**THE FRIENDS OF BLUESTONE, INC.**

This letter agreement (“Covenant”) is entered into as of the date of the latest signature hereto (“Execution Date”) by and between The Presbytery of West Virginia, a non-profit organization, with offices in South Charleston, West Virginia (“PWV”), and The Friends of Bluestone, Inc., a West Virginia non-profit corporation that is presently seeking 501(c) tax-exempt status, with offices in Princeton, West Virginia (“FOB”). PWV and FOB are each a “Party” and collectively the “Parties”.

### WITNESSETH

**WHEREAS**, the PWV owns and operates a camp and retreat facility in Hinton, West Virginia, commonly known as Bluestone Camp and Retreat formally named Bluestone Conference Center, Inc., (“Bluestone”), and

**WHEREAS**, Bluestone is situated on property owned by the Department of the Army and leased to the PWV (“Premises”) for the stated purpose, and

**WHEREAS**, challenging economic conditions and a declining user base have caused the PWV to consider closure of Bluestone, and subsequently call a meeting of the PWV to consider a proposal from the Council of PWV (“Council”), and

**WHEREAS**, at the called Presbytery meeting of August 27, 2008, Council presented a proposal to divest Bluestone, and the FOB presented an alternative proposal to sustain Bluestone as an entity of the PWV, and

**WHEREAS**, the Presbytery voted to “endorse the creation of ‘Friends of Bluestone’ for the purposes stated in the counter proposal, and endorse the development of a covenant between Friends of Bluestone and the Presbytery of West Virginia ... to be presented to a later meeting of Presbytery for its consideration.”

**NOW, THEREFORE**, the Parties desire to enter into this Covenant to sustain the ministry of Bluestone; the terms of which are hereinafter outlined, and thereby agree to the following:

1. Term.

- 1.1. This Covenant shall be in effect on the Execution Date and shall continue through December 31, 2010 (the “Initial Period”) during which the PWV and FOB will cooperatively work to develop alternative financial support solutions for Bluestone.
- 1.2. Upon expiration of the Initial Term, the cash contributions from FOB will be measured against 95% of the accumulative goals set forth in Article 5. Should that benchmark not be achieved, this agreement shall terminate automatically.
- 1.3. Should the goals described in Article 1.2 be satisfied, a continuation of the Covenant beyond expiration of the Initial Term may be contemplated, and the Parties may mutually extend the agreement (“Renewal Term”) and update the Business Plan as shown in Article 5 for an agreed-to time period.

1.4. Upon expiration of the Initial Period, or at any time during the Renewal Period, this agreement may be terminated by either Party, at its sole discretion by issuing notice to the other Party.

2. Organizational Profile.

2.1. Presbytery of West Virginia. The PWV operates under the constitution of the Presbyterian Church (U.S.A.) [The Book of Confessions, and The Book of Order] and the Manual of the Presbytery of West Virginia. Under that structure, the Presbytery's Committee on Camps, Conferences and Retreat Ministries ("CCRMC") is the primary linkage between the Presbytery and the Friends of Bluestone.

2.2. Friends of Bluestone

- (a) FOB comprises many individuals with unique and various backgrounds who support the camping and retreat ministries of Bluestone and believe that through said activities at this special place, people of all ages can grow closer to God and deepen their own faith journeys.
- (b) As a non-profit corporation under the laws of the State of West Virginia, FOB is in the process of seeking approval of its application under Section 501(c)(3) of the Internal Revenue Code.
- (c) FOB will appoint a Board of Trustees comprising 10 to 15 voting members. The Board of Trustees shall comprise of an initial set of officers, as well as members selected by congregations within PWV.

3. Covenants of the Parties

3.1. The PWV shall, during the term of this Covenant, agree to:

- (a) enable the fund raising and capital campaign efforts of the FOB as defined within this Covenant; and
- (b) maintain legal ownership of all Bluestone attached and unattached assets, including those improvements enabled by the efforts of the FOB; and
- (c) remain as the legal lessee for the Land Lease with the Department of the Army, to include all lessee obligations contained in that agreement; and
- (d) be responsible for all activities and operational aspects of Bluestone, including, but not limited to, operational permits, required training, governmental agency inspections; and
- (e) be responsible for all debt and other liabilities secured by the PWV for the benefit of Bluestone; and
- (f) provide insurance sufficient to cover the operations, employees, guests and assets of Bluestone as may change from time to time; and
- (g) establish the job description, contract with, oversee and review the performance of the employment of the Bluestone Director, under procedures and policies of the Presbytery of West Virginia; and
- (h) focus and administer the summer camping program at Bluestone through the Camps, Conferences, and Retreats Ministry Committee ("CCRMC"); and

- (i) maintain good management systems at Bluestone with accountability to the PWV, designed to minimize risk, ensure safe operations, and comply with the law; and
- (j) review and approve, as appropriate, the design and installation of all new improvements to the premises and expenditures for new, unattached assets; and
- (k) provide the mailing list of the PWV and all privileges associated therewith to FOB.

3.2. The FOB shall, during the term of this Covenant, agree to:

- (a) conduct fundraising for Bluestone's ongoing operating costs and capital improvements; and
- (b) publish The Beech Tree, a bi-monthly electronic/print newsletter to update PWV and FOB members on fundraising efforts and current needs; and
- (c) publish The Beech Tree special edition in the form of Annual Report to Donors; and
- (d) maintain representation at PWV meetings for the purpose of accountability and/or questions related to FOB operations; and
- (e) be financially self reliant for travel, consultants, research and other operational expenses; and
- (f) maintain directors' and officers' insurance through a chartered insurance group; and
- (g) provide a quarterly accounting of bank account balances, expenditures, and planned expenditures to the CCRMC and the treasurer of the PWV via a written report from the Treasurer of the Board of Trustees; and
- (h) cooperatively coordinate fundraising solicitation with the PWV, through the CCRMC, to insure reasonable alignment with potential PWV communications within the same time period; and
- (i) encourage member churches to support the PWV budget and communicate that contributions to FOB should not be made at the expense of their continuing support of the PWV ministries.

#### 4. FOB Fund Disbursement

4.1. During the Initial Period, FOB shall make monetary disbursements to Bluestone in the following manner:

- (a) For maintenance projects and improvements to the site that are endorsed and approved by CCRMC, FOB shall make a direct disbursement to the Treasurer of PWV for the account of Bluestone Conference Center to pay for approved projects; and
- (b) If FOB funds are required for unplanned operating expenditures during the Initial Period, the CCRMC shall convey such need to FOB and FOB will make quarterly disbursements, so long as such an arrangement is practicable, to the Treasurer of PWV for the account of Bluestone Conference Center to pay for the projects.

4.2. For an anticipated Renewal Period, FOB shall make monetary disbursements to Bluestone in the following manner:

- (a) the Treasurer of the FOB shall arrange for periodic disbursements to Bluestone's general operating account, and

- (b) that disbursement shall vary in amount depending upon the nature of expenses required by the budget prepared by the Camp Director and CCRMC.

#### 4.3. Cooperative Roles.

- (a) PWV, through its CCRMC, and the FOB shall develop a list of prioritized candidate projects for funding by the FOB as required or desired to (i) reactively maintain the site, (ii) preventively maintain the site, (iii) improve the site facilities, or (iv) procure additional or replacement equipment for site use.
- (b) Capitalization of improvements contemplated in 4.3(a) above shall follow the accepted accounting practices of the PWV.
- (c) PWV, through its CCRMC, and FOB Board of Trustees shall meet annually during the summer camp session at Bluestone to evaluate the working relationship of the Parties and to further the objectives of this Covenant. Each group may also utilize this time to meet independently,
- (d) PWV, through the CCRMC, and the FOB will assemble a group of supporters chartered to garner and promote ongoing support (“Ambassadors”) for Bluestone and its ministries within their local congregations and provide outreach to their communities and potential camper groups otherwise not affiliated with PWV member churches
- (e) The Parties recognize and accept that the FOB cannot control the ultimate actions related to budgetary decisions and gifts from member churches or individuals within those member churches.

#### 5. Funding Provision for Initial Term

##### 5.1. Year One (2009)

- (a) PWV will commit to (i) an annual cash contribution of \$50,000, or (ii) should general economic conditions require a reduction in the overall PWV budget, PWV will contribute no less than five (5) percent of the PWV annual budget to Bluestone.
- (b) FOB will contribute a minimum of \$30,000 cash, disbursed as per Article 4, through the efforts of its annual fund.

##### 5.2. Year Two (2010)

- (a) PWV will commit to (i) an annual cash contribution of \$50,000, or (ii) should general economic conditions require a reduction in the overall PWV budget, PWV will contribute no less than five (5) percent of the PWV annual budget to Bluestone.
- (b) FOB will contribute a minimum of \$35,000 cash, disbursed per Article 4, through the efforts of its annual fund.

#### 6. Funding Provision for Renewal Term

- 6.1. Should the Parties contemplate a Renewal Term as set forth in Article 1.3, the funding provisions of each Party will be mutually determined, using Article 5 as a model.
- 6.2. Contribution goals will be established as appropriate, and an applicable timeline agreed to as a prior condition to executing the Renewal Term.

7. Relationship of the Parties. The relationship of the PWV and the FOB is one of cooperation to achieve and maintain the financial health of Bluestone, and nothing in this Covenant will be construed to constitute one Party as principal or agent of the other, or to constitute the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint undertaking. FOB is a non-profit organization that exists solely for the purpose of performing fundraising activities to support PWV's camping and retreat ministries at Bluestone. Neither Party shall have the right to make commitments or assume obligations for or on behalf of the other Party, or to bind the other Party for any purpose whatsoever
  
8. Governing Law. This Covenant shall be governed by and construed in accordance with the laws of West Virginia.
  
9. Indemnification and Liability. To the extent of its insurance coverage, each Party shall indemnify and hold harmless the other Party, its officers, employees and agents, from all suits, actions, or claims of any character brought because of any injuries or damage of any third party caused by the indemnitor and arising out of the ownership, operation or use of Bluestone, or the respective roles of either party identified in this Covenant.
  
10. Dissolution of the Covenant  

Upon expiration or earlier termination, as specified herein, of this agreement and subsequent dissolution of FOB, the assets of the FOB shall be distributed pursuant to Chapter 31E of the W.Va. Code, which is incorporated herein by reference. After satisfying the liabilities and other obligations of FOB and the return of conditional assets in accordance with the conditions, the remainder share of FOB assets shall be used to benefit the camping and retreat ministries of PWV. In the event that PWV discontinues its camping and retreat ministry, the remainder share of FOB assets will be transferred or conveyed, at the sole discretion of the FOB Board of Directors, to an organization engaged in camping and retreat activities substantially similar to those of PWV.
  
11. Entire Agreement. This Covenant constitutes the entire agreement between the Parties with respect to the subject matter hereof supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. This Covenant may not be modified or amended, in whole or in part, except by a supplemental written agreement signed by both Parties.
  
12. Assignability. Neither Party shall assign, delegate or otherwise transfer its rights, responsibilities and obligations under this Covenant to any other person or third party. The undersigned, as authorized representatives of the primary parties, agree to the stated terms of the Letter Agreement.

\_\_\_\_\_  
 Presbytery of West Virginia

\_\_\_\_\_  
 Friends of Bluestone

Date: \_\_\_\_\_

Date: \_\_\_\_\_