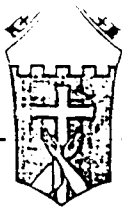


R-1

**Memo from Msgr. McKay,
re: "Archdiocesan Real Estate Office
Fee Process (01/19/93)**



MEMORANDUM

Memo to : All Pastors
 From : Monsignor James P. McKay, V.G. *JPM*
 Re : Archdiocesan Real Estate Office Fee Process
 Date : January 19, 1993

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 Recently with the strong recommendation of the Archdiocesan Finance Council, Archbishop Quinn authorized the establishment of an Archdiocesan Real Estate Office. Mr. Les McDonald has taken on the role of Archdiocesan Real Estate coordinator. He brings a great deal of experience to this office and is available to assist with any real estate matter which you or any Archdiocesan entity might have.

The Finance Council also suggested that a fee schedule be established to assist in the financing of this office thereby reducing dependence on the Annual Appeal. Therefore, effective January 1, 1993, the following fee structure will be in force:

1. For sale of real property, the fee will be 2% of the selling price. (In most transactions, the realtor provides Archdiocesan parishes and institutions with a 1% reduction in their customary commission, 5% rather than 6%). So, the 2% fee payable to the Real Estate Office represents the 1% discount from the realtor plus 1% from the parish or institution benefiting from the service provided by the Archdiocesan Real Estate Office.
2. For Archdiocesan property which is leased, the fee will be 3% of the annual rent. The Real Estate Office will oversee all leases.

We feel that these fees are very modest in light of the expertise and the extent of the service required to work with these real estate matters which today are so complex and technical.

All proposed real estate matters should be directed to Les McDonald. He is fully competent to analyze real estate needs and income potential; in addition, he will assist with negotiations and handle all processing with governmental agencies, title companies, etc. Also, when necessary and appropriate, he will consult with the Legal and Finance offices.

Finally, let me take this opportunity to remind each of you of the Policy and Procedures Manual for Finance and Asset Management of the Archdiocese of San Francisco which was forwarded to you last fall. That document contains a specific section concerning the policy and procedures pertaining to the sales of real estate property. These should be reviewed and followed carefully prior to submitting any proposals to the Chancery. All lease and property sale documents must be approved and signed by the Vicar General.

We here at the Chancery are very pleased about the possibilities available to us now that Les has joined our staff. I know that a number of you have already met with him and found him to be quite helpful in assessing the overall real estate situation at your parish. I encourage all of you to feel free to contact Les should you have any questions or concerns relative to the many and varied real estate issues which we face.