

Policy Regarding Real Estate Transactions or Actions and Financing

Adopted 9/24/11

When a church is considering the selling of or purchasing for, major construction of or modifications to its real property; or leasing, renting, changing titles, licensing, applying for or changing zoning, applying for or changing conditional use permits or subdividing its real property; or entering into mortgage or loan agreements or modifying mortgage or loan agreements, entering into financial agreements or changing financial agreements; or becomes involved in litigation pertaining to its real property, it shall promptly notify the Presbytery and request a meeting with the Property and Finance Committee (P&F).

Following the meeting, when requested by P&F, the church shall prepare a draft of a Memorandum of Understanding (MOU) between the church and the Presbytery regarding the proposed real estate transactions or actions and related financing. P&F will assist the church in finalizing the MOU for approval by the church and the Presbytery. The MOU must be approved by both parties prior to carrying out any real estate transaction or actions and financing.

The MOU shall include the following:

1. A brief description of all real estate transactions or actions and financing to be undertaken by the church.
2. The estimated costs and/or income and their bases pertaining to the real estate transactions or actions to be undertaken.
3. The proposed financing plan.
4. A schedule of all planned transactions or actions and financing to be undertaken by the church.
5. The identification of principal parties involved in the planned transactions or actions.
6. The most recent church annual financial reports and the most recent monthly financial reports, including Balance Sheets, Profit and Loss Sheets, Cash Flow Reports and Operating Income and Expense Statement and current Budget versus Actual Expenses.
7. The church's most recent annual and most recent monthly attendance reports and the most recent monthly membership report.

When the church becomes aware of significant changes to the planned transactions or actions, including the proposed financing plan, as presented in the MOU, it shall notify the Presbytery in writing of the changes and their impacts within five business days.

Loan, mortgage, property purchase or sell and property rental, lease **and license** agreements must be submitted to and be approved by P&F and/or Presbytery prior to their implementation. At the time of the requested P&F and Presbytery approvals, current financial statements and the most recent annual and monthly attendance reports must be submitted to P&F for their review and concurrence.

Additionally, title, zoning, easement, quitclaim and conditional use permit applications or documents pertaining to real property must be submitted to P&F, for their review and approval, prior to submittal to city or county departments or other agencies.