

Adopted June, 2013

Policy Regarding Rental, Lease and Use of Church Property

When a church is considering allowing the use of its church property by a group or organization not affiliated with the Presbyterian Church (U.S.A.), it shall comply with the provisions of this policy.

I. Use of church property by a group or organization, not affiliated with the Presbyterian Church (U.S.A.), as a public service and considered to be an extension of the church's mission to the community.

If the church proposes to allow a non-affiliated group or organization to use its church property on a regularly scheduled basis as a public service that is considered to be an extension of its mission to the community, the church shall:

1. Have its session approve the proposed use.
2. Notify the Presbytery in writing.
3. Prepare and execute a rental or lease agreement in accordance with the applicable provisions of Exhibit 1 and provide a copy to the Presbytery.
4. Require the non-affiliated group or organization to obtain liability insurance or, alternatively, the church shall notify its insurance provider of the proposed use of the church by the group or organization and verify that it has the appropriate liability insurance coverage for the proposed use or obtain appropriate coverage. [Note – If the group or organization provides the liability insurance coverage, it shall obtain and provide Certificates of Comprehensive Liability Insurance (general operation), issued by its insurance company, to the church and Presbytery. The certificate shall state that the church, the Presbytery of San Fernando and Synod of Southern California and Hawaii (if title is held by Synod) are recognized as additional named insured parties. Such coverage shall be for no less than \$1,000,000 combined single limits. The insurance provided by the company under which the user is insured shall be the primary insurance with respect to such use. The policy shall include a ten-day written notice of any cancellation.]
5. Require the non-affiliated group or organization to obtain insurance for loss or damage to any of its materiel stored or left at the church or waive, in writing, any such future claims for loss or damage.
6. Require the non-affiliated group or organization to obtain background checks for all staff / leaders assigned to work or serve on a regular basis at the church.
7. Require the non-affiliated group or organization to provide sexual harassment, sexual abuse, safety and first aid training for all staff / leaders assigned to work or serve on a regular basis at the church.
8. Include a provision in the written agreement for termination of the agreement, by

either party, with 30 days notice or, if an uninsured or under-insured loss occurs to the church that prevents continued use of church property by the non-affiliated group or organization. If the non-affiliated group or organization could incur loss of business expenses or costs, including building and equipment modifications as a result of termination of the agreement, the church shall require that the non-affiliated group or organization waive any future claims for all such costs in the written agreement or obtain and maintain insurance covering such costs.

9. Include a provision in the written agreement making the non-affiliated group or organization financially responsible for any damage they may cause to the church beyond that associated with normal wear and tear.
10. At the church's option, impose a monthly fee for janitorial and utility services.

II. Use of church property by a group, organization or corporation, not affiliated with the Presbyterian Church (U.S.A.), that is considered to be compatible with but not an extension of the church's mission to the community.

If the church proposes to allow a non-affiliated group, organization or corporation to use its church property, for financial reasons, that is considered to be compatible with but not an extension of its mission to the community, the church shall:

1. Have its session approve the proposed use.
2. Notify the Presbytery in writing of the proposed action to be undertaken and review with the Property and Finance Committee the type of lease to be used, the proposed clauses to be included and the name and contact information of the church's real estate attorney who is to prepare the documents. [Note – If the church requests the Presbytery to assist in the preparation of the rental or lease agreement, the church shall reimburse the Presbytery for all such services,

including

legal services.]

Alternatively, the church may utilize Standard Industrial/Commercial Leases (Exhibits 2 - 5).

3. Prepare a rental or lease agreement in accordance with the form and applicable provisions of a Standard Industrial/Commercial Lease or as prepared by an attorney, ready for signature by both parties, and provide a copy to the Presbytery for its review and approval. Upon final approval by the Presbytery, the parties to the rental or lease agreement shall execute the agreement and provide a signed copy to the Presbytery.
4. Require the non-affiliated group or organization to obtain background checks for all staff / leaders assigned to work or serve on a regular basis at the church.
5. Require the non-affiliated group or organization to provide sexual harassment, sexual abuse, safety and first aid training for all staff / leaders assigned to work or serve on a regular basis at the church.

III. General Leasing Considerations

When a church is considering the use of its church property by a non-affiliated group, organization or corporation, it needs to carefully evaluate the impacts on the church

from such use, as well as, the financial benefits for its mission to the community now and in the future.

The Presbytery recognizes that a tenant who spends a considerable amount of money preparing a church property for its use generally requests a long lease period or term which may greatly restrict future use of the property, its value and potentially impact taxes.

Exhibit 1

Church Property Use Agreement Outline for Non-affiliated Party

1. Purpose of Agreement – Church’s Extended Ministry to Community
 - a. Statement of Ministry and Agreement Purpose
 - b. Statement of Use Authorized by the Church for Non-affiliated Party
2. Parties to Agreement
 - a. Presbyterian Church
 - i. Name
 - ii. Type of Entity
 - iii. Address
 - b. Non-affiliated Party
 - i. Name
 - ii. Type of Entity
 - iii. Address
3. Agreement Start Date
4. Church Facilities, Equipment and Parking to be used by Non-affiliated Party
 - a. Buildings and Rooms
 - b. Equipment
 - c. Parking
5. Conditions of Use by Non-affiliated Party
 - a. Days of the Week, Hours of Use and Holiday Exceptions
 - b. Church Use Rules
 - c. Housekeeping
 - d. Facilities and Equipment Security and Access
 - e. Financial Responsibility for Damage to Church Property
 - f. Financial Responsibility for Damage to Non-affiliated Party Property
 - g. Background Checks for Non-affiliated Party Staff / Leaders Assigned to Work or Serve on a Regular Basis on Church Property
 - h. Training in Sexual Abuse, Sexual Harassment, Safety and First Aid for Non-affiliated Party Staff / Leaders Assigned to Work or Serve on a Regular Basis on Church Property
 - i. Custodial and Utility Service Fees to be paid by Non-affiliated Party (Optional)
 - j. Use, Storage and Removal of Hazardous Substances by Non-affiliated Party
 - k. Maintenance, Repairs and Replacement of Church Facilities and Equipment
 - l. Alterations and Modifications of Church Facilities and Equipment
 - m. Key Policy and Use Rules including non-duplication of keys
6. Non-Transferable Use of Church Property
7. No Prior or Other Agreements
8. No Other Use Permitted Except as Stated in This Agreement
9. Insurance
 - a. Liability Insurance

- b. Business Interruption Insurance or Waiver of Future Claims
- c. Loss or Damage to User Materiel or Waiver of Future Claims

- 10. Termination of Use Agreement – By Either Party with 30 Days Written Notice or, if an uninsured or under-insured loss occurs to the church that prevents continued use of church property by the non-affiliated group or organization.
- 11. Church Contact Person and Contact Information
- 12. Non-Affiliated Party Contact Person and Contact Information
- 13. Agreement Approvals, Titles and Dates of Approval

**Standard Industrial/Commercial Leases
American Industrial Real Estate Association**

Exhibit 2 - Standard Industrial/Commercial Single-Tenant Lease – Net

Exhibit 3 – Standard Industrial/ Commercial Single-Tenant Lease – Gross

Exhibit 4 – Standard Industrial/Commercial Multi-Tenant Lease – Net

Exhibit 5 – Standard Industrial/Commercial Multi-Tenant Lease - Gross