

**INSTRUCTIONS FOR SETTING UP AN
ORGANIZATIONAL LEASE AGREEMENT
for use of property owned by the
CENTRAL CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS**

STEP 1 The process is usually not begun by the local church or school searching for another group to use their facility. The process usually begins with a request from another group (i.e. school, church, city) to use your church or school facility. Instructions for setting up a use/lease agreement, CCC's facilities usage policy, and the applications for use/lease agreements are available through the Conference website on the Property & Risk Management page. **The facility may not be used until this process is completed.**

NOTE: Remember any use must be authorized by the Central California Conference of Seventh-day Adventists hereinafter called "**the Conference**", as the Conference holds title to all church/school owned property. You do not need to employ your own attorney to draft a use/lease agreement. The Conference will draft the agreement for you in consultation with the Conference legal counsel.

STEP 2 Inform the requesting organization, in writing, that **IF** you approve their request, the process will likely take six (6) to eight (8) weeks to complete. Your communication should include the following reasons for the delay.

1. Three (3) to four (4) weeks for church or school board approval.
2. An additional two (2) weeks for the Conference to draft the documents and receive the approval of the Central California Conference Property Council (The Property Council meets once a month). It is likely that less time will be required. However, it is better to estimate a longer period of time than a shorter one.
3. The actual agreement will be drafted by the Conference specifically for your use.
4. A Certificate of General Liability Insurance that names the **Central California Conference of Seventh-day Adventists** at 2820 Willow Ave., Clovis, CA 93612, as **Certificate Holder** and **additionally insured** will be required for a use/lease agreement. This Certificate of Insurance must cover the limits of at least two million dollars bodily injury and property damage combined limits, two million dollars for each occurrence and two million aggregate.
5. The Tenant must provide proof of their tax-exempt status under IRC section 501 (c)(3) or 501 (c)(4) or CA R&T Code section 23701d or 23701f with the application
6. The use/lease agreement will be made between the Tenant and the Conference on behalf of your local church or school.
7. If they have a question, they may contact the Central California Conference Property & Risk Management Department at (559) 347-3121 or propandriskmgmt@cccsda.org.

STEP 3 Local Church or School Board will consider the request. Board minutes must be dated within 1 year of the requested agreement or renewal. The local board **MUST** consider the following:

1. Is the group a tax exempt, non-profit corporation exempt under IRS Code 501(c)(3) IRC section 501 (c)(3) or 501 (c)(4) or CA R&T Code section 23701d or 23701f? If No, please be aware that the Use/Lease Agreement may result in an assessment of property taxes against your church/school that, under the Use/Lease Agreement, would be the responsibility of the Tenant. Depending upon the scope of the use, your

church/school's property tax exemption may also be jeopardized by permitting a for-profit individual, business or group without a religious or welfare exemption to use the facility.

2. Can the group provide proof of General Liability Insurance in the amount of two million dollars bodily injury and property damage combined limits, two million dollars for each occurrence and two million aggregate? If the answer is no, reject their request to share your facility in a use/lease agreement.
3. Is this an on-going relationship or a one-time use? A single use by an individual, group or organization is handled by using a "Use Agreement" rather than a "Lease Agreement". A Use Agreement can *usually* be drafted by the Conference and returned within 48 hours of receipt of a complete Use Agreement Application.

STEP 4 Obtain the "Use/Lease Agreement Application" from the CCC website on the Property & Risk Management Department page. Or, by calling (559) 347-3121, or e-mailing propandriskmgmt@cccsda.org.

STEP 5 Fill out the "Use/Lease Agreement Application" form.

1. Obtain all information and complete the entire form. Use/Lease Agreement terms will not extend longer than one year, and cannot be retroactively backdated.
2. Obtain insurance certificate and proof of IRC section 501 (c)(3) or 501 (c)(4) or CA R&T Code section 23701d or 23701f status from Tenant, and signatures from both parties (Your church/school and the Tenant).
3. Send completed application, board minutes, insurance certificate, and Tenant's proof of non-profit status to propandriskmgmt@cccsda.org.

STEP 6 Drafting the use/lease agreement.

1. The Conference Property & Risk Management Dept. will draft the specific agreement.
2. The Conference will file a copy of this agreement with your Religious or Welfare property tax exemption each year. Failure to include all church/school uses could cause a loss of your property tax exemption.

STEP 7 Three final approved agreements will be mailed to you for signatures.

1. Have your local church or school representatives sign.
2. Have the Tenant representatives sign.
3. Mail one completely signed Agreement to CCC Property & Risk Management Department. Keep one for audit purposes. Give one to Tenant.

STEP 8 Approximately two (2) months prior to the termination of the contract period, determine if it will be renewed and, if so, submit board minutes, any changes to the terms and renewed insurance(if expiring) to the Conference Property & Risk Management Department to draft a new agreement.