

**PRESBYTERY OF THE  
TWIN CITIES AREA  
LEASE PACKET  
2018**

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## I. **INTRODUCTION**

This manual includes copies of background materials, sample documents, a summary of the procedures to be followed, and sample lease forms for (1) lease of worship space, e.g., sanctuary or chapel (hereafter referred to as “worship space”); (2) lease of other parts of the church property, e.g., offices, educational space; and (3) short-term rental of church property, e.g, worship space for a wedding or recital, fellowship hall for a community event.

**Congregation lease of designated worship spaces or lease of other church space for more than five years requires the approval of both the Board of Trustees (BOT) and the Presbytery before the tenant may occupy the sanctuary or move into the long-term leased space.** It is recommended that leases for five years or less be submitted to the BOT for advice and counsel. The BOT meets every other (even) months; Presbytery meets five times a year. Please direct questions for Board of Trustees at [trustees@ptcaweb.org](mailto:trustees@ptcaweb.org).

## II. **PROCEDURE FOR LEASE APPLICATION**

The BOT will review and Presbytery will approve (or disapprove) your lease application after approval by your session.

The Procedure follows:

1. Session determines if the congregation follows the same principles as the PCUSA. For example, it would not be appropriate to lease the sanctuary for use by \_\_\_\_\_ because \_\_\_\_\_.
2. Session approves proposed lease.
3. Church submits proposed lease to the BOT for review. Required supporting documents are on page 6 of this packet. All forms and documents must be submitted at least 14 days prior to the BOT meeting for review and distribution.
4. A BOT liaison will review the application and return it to you if the BOT needs additional materials before acting.
5. Church representatives meet with the BOT. The church will be informed of the BOT action shortly after its regular meeting.

## III. **APPLICATION**

### A. **Supporting Documents** (Information concerning the congregation)

- \_\_\_\_\_ Copy of church/organization bylaws with certification
- \_\_\_\_\_ Copy of Articles of Incorporation with certification
- \_\_\_\_\_ State Certificate of Corporate Good Standing of Articles of Incorporation
- \_\_\_\_\_ Certificate of Insurance for current coverage required by lease
- \_\_\_\_\_ Information concerning the lessor congregation
- \_\_\_\_\_ Session resolution (certified)
- \_\_\_\_\_ Copy of proposed lease

**B. Application**

**APPLICATION**

**Corporate Name of Church** \_\_\_\_\_

Address \_\_\_\_\_

County \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_ Phone(\_\_\_\_) \_\_\_\_\_

\_\_\_\_\_ Fax(\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

**CONTACT INFORMATION**

**Congregation Representative:** (BOT will contact this person concerning scheduling, documents, and approval status)

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Title \_\_\_\_\_ Primary Phone (\_\_\_\_) \_\_\_\_\_

Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**Pastor:**

Name \_\_\_\_\_

Home Address \_\_\_\_\_

Primary Phone(\_\_\_\_) \_\_\_\_\_ Office Phone(\_\_\_\_) \_\_\_\_\_

At church since \_\_\_\_\_ E-mail \_\_\_\_\_

**Clerk of Session:**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Primary Phone(\_\_\_\_) \_\_\_\_\_ Office Phone(\_\_\_\_) \_\_\_\_\_

E-mail \_\_\_\_\_

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**For office use:**

Application Date: \_\_\_\_\_ Term of Lease: \_\_\_\_\_

Date received by PTCA office: \_\_\_\_\_ Date reviewed by Board of Trustees: \_\_\_\_\_

Action taken: \_\_\_\_\_

## **I. BOOK OF ORDER**

**Introduction:** The Book of Order contains the following sections which govern the acquisition, use, encumbrance, sale, and lease of church property. They are reprinted here for your information.

<b>G-4.0203 Church Property Held in Trust</b>	All property held by or for a congregation, a presbytery, a synod, the General Assembly, or the Presbyterian Church (U.S.A.), whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated association, and whether the property is used in programs or a congregation or of a higher council or retained for the production of income, it is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)
<b>G-4.0101 Incorporation and Power</b>	<p>Where permitted by civil law, each congregation shall cause a corporation to be formed and maintained. If incorporation is not permitted, individual trustees shall be elected by the congregation. Any such individual trustees shall be elected from the congregation's members in the same manner as those elected to the ordered ministries of deacon and ruling elder. Terms of service shall be governed by the provisions of G-2.0404.</p> <p>The corporation so formed, or the individual trustees, shall have the following powers; to receive, hold, encumber, manage, and transfer property, real or personal, for the congregation, provided that in buying, selling, and mortgaging real property, the trustees shall act only after the approval of the congregation, granted in a duly constituted meeting; to accept and execute deeds of title to such property, to hold and defend title to such property; to manage any permanent special funds for the furtherance of the purposes of the congregation, all subject to the authority of the session and under the provisions of the Constitution of the Presbyterian Church (U.S.A.). The powers and duties of the trustees shall not infringe upon the powers and duties of the session or the board of deacons.</p> <p>Where permitted by civil law, each presbytery, synod, and the General Assembly shall cause a corporation to be formed and maintained and shall determine a method to constitute the board of trustees by its own rule. The corporation so formed, or individual trustees, shall have the following powers; to receive, hold, encumber, manage and transfer property, real or personal, for and at the direction of the council.</p>

<b>G-4.0204 Property Used Contrary to Constitution</b>	Whenever property of, or held for, a congregation of the Presbyterian Church (U.S.A.) ceases to be used by that congregation as a congregation of the Presbyterian Church (U.S.A.), in accordance with this Constitution, such property shall be held, used, applied, transferred, or sold as provided by the presbytery.
<b>G-4.0205 Property of a Dissolved or Extinct Congregation</b>	Whenever a congregation is formally dissolved by the presbytery, or has become extinct by reason of the dispersal of its members, the abandonment of its work, or other cause, such property as it may have shall be held, used, and applied for such uses, purposes, and trusts as the presbytery may direct, limit, and appoint or such property may be sold or disposed of as the presbytery may direct, in conformity with the Constitution of the Presbyterian Church (U.S.A.)
<b>G-4.0206a Selling, Encumbering, or Leasing Church Property</b>	A Congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation.
<b>G-4.0206b Selling, Encumbering or Leasing Church Property</b>	A congregation shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of the congregation.

Two sections of the Book of Order deal with organization of local congregations. Those sections state:

1. Where permitted by civil law, each congregation shall cause a corporation to be formed and maintained.
2. The corporation so formed, or the individual trustees, shall have the following powers; to receive, hold, encumber, manage and transfer property, real or personal, for the congregation, provided that in buying, selling and mortgaging real property, the trustees shall act only after the approval of the congregation, granted in a duly constituted meeting; to accept and execute deeds of title to such property; to hold and defend title to such property; to manage any permanent special funds for the furtherance of the purposes of the congregation, all subject to the authority of the session and under the provisions of the Constitution of the Presbyterian Church (U.S.A.). The powers and duties of the trustees shall not infringe upon the powers and duties of the session or the board of deacons.

*Book of Order G-4.0101*

**V. SAMPLE DOCUMENTS**

**A. Clerk of Session Certificate Verifying Session Approval of Lease**

**CERTIFICATE**

I hereby certify that:

1. I am the duly elected Clerk of Session of \_\_\_\_\_ Presbyterian Church of \_\_\_\_\_  
(Corporate Name of Church)  
\_\_\_\_\_, a \_\_\_\_\_ religious corporation (the "Church").  
(City or Town) (State)
  
2. At a meeting of the Session of the Church duly called and held at \_\_\_\_\_ on \_\_\_\_\_  
(Time a.m. or p.m.)  
\_\_\_\_\_, the resolutions attached hereto as Exhibit A were duly  
(Month and Day) (Year)  
adopted by a majority vote of those in attendance.

**IN WITNESS WHERE OF** I have set my hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
(Month and Day) (Year)

\_\_\_\_\_  
(Signature of Clerk of Session)

Typed Full Name of Clerk of Session  
Clerk of Session

**B. Session Resolution**

Church Name of  
City or Town Name by the Session on  
Month, Date, Year

**WHEREAS,** \_\_\_\_\_ PRESBYTERIAN CHURCH OF \_\_\_\_\_ (the "Church") has  
(Corporate Church Name) (City or Town)  
determined that it would be appropriate to lease the sanctuary of the Church to  
\_\_\_\_\_ for a period of up to \_\_\_\_\_ year(s).  
(Name of Lessee) (Length of Lease)

**NOW THEREFORE,** BE IT RESOLVED that the Session approves the lease of the Church  
sanctuary located at \_\_\_\_\_, to \_\_\_\_\_ for a  
(Address of Church) (Name of Lessee)  
period of \_\_\_\_\_ for rent to be paid as follows: \_\_\_\_\_. The  
(Length of Lease) (Amount/Frequency)  
terms of the lease shall be described in a written lease to be executed by the Session and the  
Presbytery of the Twin Cities Area.

### C. Sample Lease Agreement

NOTICE: THIS IS A SAMPLE LEASE ONLY. AN ACTUAL LEASE SHOULD BE REVIEWED BY ATTORNEY FOR THE CHURCH

The state location of the church must be circled, or the non-relevant state have a line drawn through it.

### RENTAL AGREEMENT

This Rental Agreement is made and entered into by and between \_\_\_\_\_, a Minnesota/Wisconsin corporation, located at \_\_\_\_\_, Minnesota/Wisconsin \_\_\_\_\_ or lessee.

1. **Term:** This Lease Agreement ("Lease") shall continue for a period of \_\_\_\_\_ commencing

2. **Purpose:** Lessee's use of the premises shall be exclusively for religious purposes, including worship services, religious education, fellowship, pastoral counseling, funerals, weddings, and similar uses, but no other.

3. **Premises:** The leased premises and times of occupancy by lessee are as follows:

The use of the worship space will begin at \_\_\_\_\_ on Sundays or at such time as it is vacated by lessor, whichever is later, and continues until \_\_\_\_\_ on Sundays.

Any other use of the church premises desired by lessee shall be requested of lessor in writing in advance and will be upon such terms and conditions as the parties hereto agree.

4. **Rent:** The lessee agrees to pay to lessor at the lessor's office at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or at such other place as the lessor may from time to time designate in writing, without demand, the sum of \$\_\_\_\_\_.00 per month for each and every calendar month during the term of the lease beginning on the Commencement Date, payable in advance on the first day of each month. In the event of any fractional months occurring during the term of this lease, the lessee shall pay rent on a pro rata basis calculated on the ratio of the actual number of days of possession by lessee to the total days in the month for which such rent is being paid.

5. **Damage Deposit:** Lessee has given \$\_\_\_\_\_ to the lessor as a damage deposit. If lessee fails to perform any term in this lease, lessor may use the damage deposit for payment of money that lessor may spend for damages that lessor suffers because of lessee's failure. The lessor may use the damage deposit to pay for any damage to the leased premises or church building caused by the lessee or the lessee's guests. The damage deposit may also be used to pay any rent that the lessee owes to the lessor at the end of this agreement.

6. **Common area:** The term *common area* means the entire area designed for



common use or benefit within the church building and grounds including, but not limited to, parking lots, walkways, corridors, entrance areas, facilities such as washrooms, drinking fountain, toilets, and stairs. The common area shall at all times be subject to the exclusive control and management of lessor. Subject to reasonable rules and regulations to be promulgated by lessor, the common area is made available to the lessee for its reasonable nonexclusive use in common with lessor.

7. **Utilities and services:** Lessor shall furnish heat and electricity in and about the leased premises as shall be necessary for the comfortable use and occupancy of the leased premises during the times that lessee has the right of occupancy of the premises; provided, however, that lessor shall not be liable for any damage for failure to furnish the services by reason of breakdowns, the necessity for repairs or improvements to the services, fires, explosion, strikes, or causes beyond the lessor's reasonable control, and no temporary interruption or failure of the services shall render the lessor liable to the lessees for damages by abatement of rent or otherwise. Lessee shall have access to the use of a telephone or telephone line in the church building for use only during periods of \_\_\_\_\_. Lessor will provide reasonable custodial services and trash removal with respect to the leased premises.
8. **Access to premises:** Lessor shall have the right to enter the leased premises at all reasonable times for the purpose of inspecting, cleaning, repairing, altering, or improving the leased premises or the church building. Except in the event of an emergency, lessor shall not enter the leased premises during the times of occupancy of the leased premises set forth in Section 3, above. Lessor will provide one set of exterior door keys to the church building. Lessee may not make any copies of the exterior door keys without the consent of lessor. Lessee shall pay the cost of re-keying the church building at the end of the lease. Lessee shall provide lessor with a list of the names of each person who has the authority to use the keys to unlock the church building. It is understood and agreed that the church building is to remain locked at all times, except for the specific times that lessee is using the leased premises under the terms of this agreement. At all times that the church building is unlocked for access to and from lessee's activities, lessee shall be responsible for monitoring the persons who enter the building and securing the building when its activities are concluded.
9. **Conflict resolution:** In the event that a disagreement or dispute arises during the term of this agreement, the parties shall attempt to resolve such disagreement or dispute amicably. The parties agree to follow the Guidelines for Presbyterians During Times of Disagreement as a procedure in endeavoring to resolve any disagreements or disputes. In the event of a disagreement, dispute, or complaint, the persons to contact on the part of lessor are any one of the following:

moderator, clerk of session, or chairperson of Buildings and Grounds Committee. Likewise, the persons to contact on the part of lessee for this agreement are\_\_\_\_\_.

10. **Sales:** Lessee shall not conduct any sales in any area of the church building or on the church grounds.
11. **Smoking:** The smoking of cigarettes or the use of tobacco in any form is prohibited in all areas of the church building.
12. **Alcohol and illegal drugs:** Lessee shall not permit the use or storage of alcohol or any illegal drugs in any area of the church building or on the church grounds. Violation of this provision shall be cause for immediate termination of this agreement.
13. **Signage:** A nonpermanent sign bearing the name of lessee and such other information relating to the services and programs of lessee may be displayed on the church grounds from Friday evening through Sunday afternoon of each week.
14. **Insurance:** Lessee shall be responsible for the purchasing of, and the payment of the premiums thereof, for insurance including, but not limited to, public liability, fire, professional liability, and worker's compensation, acceptable to the lessor. Lessee shall provide proof of insurance coverage to lessor. The property insurance and public liability insurance shall name lessor as an additional insured. In the event of a property damage loss to the property of lessor, lessee assigns to the lessor the right to adjust the loss.
15. **Waiver of subrogation:** The parties mutually waive as against each other any claim or cause of action for any loss, cost, damage, or expense, as a result of the occurrence of perils covered by the Minnesota Standard Fire Insurance Policy and extended coverage endorsements.
16. **Indemnity of lessor:** Lessee shall indemnify and save harmless lessor from any claim or loss by reason of lessee's use or misuse of the leased premises and from any claim or loss by reason of any accident or damage to any person or property occurring in the leased premises while under control of lessee, unless such claim or loss was caused by the negligence of lessor.
17. **Exculpatory clause:** Lessor assumes no responsibility whatsoever for any property placed in the church building by lessee, and lessor is hereby expressly released and discharged from any and all liability for any loss, injury, or damage to any person or property that may be sustained by reason of lessee's use or misuse of the leased premises, unless such loss or claim was caused by the negligence of lessor.

18. **Additions and alterations:** Lessee will make no alteration, additions, or improvements to the leased premises or to the church building.
19. **Condition of premises:** Lessee has examined the leased premises and is satisfied with their current condition. The commencement of the use of said leased premises shall be conclusive evidence by lessee that such space was in good order and satisfactory condition when lessee commenced use thereof. At the termination of this agreement for any reason, lessee shall return such space and all equipment and fixtures therein in as good condition as at the commencement of this agreement, ordinary wear and tear excepted. If not returned in said condition, lessor may restore such space, equipment, and fixtures to such condition and lessee shall pay the cost thereof upon request.
20. **Unlawful use:** Lessee shall comply with all laws of the United States, the State of Minnesota, and all ordinances, rules, or requirements of the City of \_\_\_\_\_ or under its insurance premises of lessor's buildings or grounds during the term of this agreement in violation thereof. If a violation exists, lessee shall immediately desist from and correct such violation.
21. **Damage by fire or other casualty:** In the event that the leased premises or the church building be rendered unusable by fire, explosion, or other casualty, lessor may, at its sole option, terminate this agreement or may elect to repair the leased premises. Lessor shall have thirty days from the occurrence of said damage or casualty to complete said repairs, if it chooses to repair. If the repairs are not repaired within thirty days, lessee shall have the option of canceling this Agreement and vacating the leased premises. If lessor does not complete repairs within thirty days or the building shall have been wholly destroyed, this agreement shall automatically terminate. Rent shall abate during any time during which the leased premises are unusable.
22. **Bankruptcy:** In the event that lessee shall become bankrupt or shall make a voluntary assignment for the benefit of creditors, or in the event a receiver of lessee is appointed, then, at the sole option of lessor, this agreement shall be terminated.
23. **Assignment and subletting:** The lessee may not assign or hypothecate this lease or sublet the premises or any part hereof, whether by voluntary act, operation of law, or otherwise, without the prior written consent of the lessor in each instance.
24. **Default:** If default is made in the payment of rent, lessor may immediately terminate this agreement and lessee shall thereupon vacate the leased premises. If default is made in any other term of this agreement, lessor shall give written notice to lessee

of the default, after which lessee shall have fifteen days to correct said default. If not corrected to the satisfaction of lessor, lessee shall then, upon written notice from lessor, vacate the leased premises within seven days. If lessee fails to vacate the premises pursuant to the above, lessor may bring an eviction action to enforce this agreement.

25. **Attorneys' fees and costs:** If any action at law or in equity shall be brought in court to recover any rent under this lease or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this lease or for the recovery of the possession of the leased premises, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs, its reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.
26. **Termination:** This agreement may be terminated by lessor or lessee upon thirty days written notice without cause.
27. **Minnesota/Wisconsin law:** This lease shall be construed and enforced in accordance with the laws of the State of Minnesota/Wisconsin [The state in which the church property is located].
28. **Amendment, modification, and waiver:** No amendment, modification, or waiver of any condition, provision, or term of this agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by lessor or lessee or another of any default of another party shall not affect or impair any right arising from any subsequent default.
29. **Severable provisions:** Each provision, section, sentence, clause, phrase, and word of this lease is intended to be severable. If any provision, section, sentence, clause, phrase, or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this lease.
30. **Entire agreement:** This agreement contains the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understanding between the parties with respect to the subject matter. No representations, warranties, undertakings, or promises, whether oral, implied, written, or otherwise, have been made by either party hereto to the other unless expressly stated in this lease or unless mutually agreed to in writing between the parties hereto after the date hereof, and neither party has relied on any verbal representations, agreements, or understandings not expressly set forth herein.
31. **Captions, headings, or titles:** All captions, headings, or titles in the paragraphs or sections of this lease are inserted for convenience or reference only and shall not

constitute a part of this lease as a limitation of the scope of the particular paragraphs or sections to which they apply.

32. **Presbytery approval:** This agreement is subject to the approval of the Presbytery of the Twin Cities Area as it relates to the lease of the sanctuary of lessor, and, if not approved, is null and void.

**IN WITNESS WHEREOF**, the parties have executed this agreement on \_\_\_\_\_, 20\_.

**LESSOR**

**Name of Lessor**

By: \_\_\_\_\_  
\_\_\_\_\_, Its Moderator

By: \_\_\_\_\_  
\_\_\_\_\_, Its Clerk of  
Session

**LESSEE**

**Name of Lessee**

By: \_\_\_\_\_  
\_\_\_\_\_, Its Presiding  
Officer

By: \_\_\_\_\_  
\_\_\_\_\_, Its Secretary

**D. Presbytery Approval**

**PRESBYTERY APPROVAL**

The Presbytery of Twin Cities Area has approved this agreement for the lease of the sanctuary of \_\_\_\_\_ under the provisions of G-4.0206b of the Book of Order of the *Constitution of the Presbyterian Church (U.S.A.)*.

**Presbytery of the Twin Cities Area**

By: \_\_\_\_\_  
\_\_\_\_\_, Moderator

By: \_\_\_\_\_  
\_\_\_\_\_, Stated Clerk