

INSTRUCTIONS FOR SELLING CHURCH PROPERTY
Titled under the
NORTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS

(This procedure also applies to the sale of *vacant land, easements or rights-of-way*)

I. How to Begin the Process - Before You Sell Your Church (Steps 1 through 3)

STEP 1 Your church, in business session, should appoint a committee to take charge of this sale or empower a subcommittee of the Church Board.

1. This committee will make recommendations on:
 - a. Sale price.
 - b. Listing agents.
 - c. Development costs. (i.e. - reports to be obtained)
2. This committee will have only those powers expressly given to the committee by the church. All other power still resides with the church, in business session, and the Northern California Conference of Seventh-day Adventists.

STEP 2 Inform the Conference of Your Plans to Sell

1. Inform the officers of the Northern California Conference of your plan to sell your property. This will allow the Conference administration to assist you in your financial planning and stewardship plans.
2. Inform Northern California Conference of your desire to sell. (Failure to inform the Northern California Conference at this point may cause unnecessary questions and delays in the future.)
 - a. Give the Northern California Conference the following information. Form NCC - 1(A) Request to Sell Church Property
 - (1) Name of church.
 - (2) Address - Size - Type of Building(s).
 - (3) Brief legal description.

- (4) Present use.
- (5) Reason for sale.
- (6) Recommended listing agent.

STEP 3 Your church must decide upon a listing/sale price for your property. To obtain your sale price, you can use any or all of the following:

1. Registered MIA Appraiser.
2. Comparable market analysis.
3. Use an income approach, replacement approach, square footage approach, comparables, past and present sales in your area.

II. Listing Your Property for Sale/Putting Your Property on the Open Market (Steps 4 through 8)

STEP 4 The listing agreement and any other documents MUST be signed by Northern California Conference of Seventh-day Adventist Officers. (Northern California Conference holds legal title to all church owned property. Therefore, all sale documents must be signed by Northern California Conference of Seventh-day Adventists Officers.)

STEP 5 Local church should make a recommendation to the Northern California Conference of a listing agent/broker or how the local church plans to market the property.

1. Select a church representative(s) to deal with your agent. Do not allow every member the opportunity to be contacted by or to contact your agent.
2. Northern California Conference will also give to your agent an individual(s) who they are to contact or keep informed.

STEP 6 The actual listing agreement (Exclusive Authorization to Sell) will be signed after it has been approved by the Northern California Conference.

STEP 7 Remember, your church, in business session, must vote to authorize this listing agreement.

1. The power to list the property for sale must be specifically made by the church business meeting or

2. The power to list the property for sale must have been delegated to the subcommittee.

STEP 8 Inform your realtor in writing of the following points.

1. You are a subcommittee acting under the authority of the (your church name).
2. The process may well take additional time to complete because your decision to sell will require:
 - a. Approval of the local church in business session and
 - b. Approval of the Northern California Conference of Seventh-day Adventists, the corporate headquarters located at P O Box 619015, Roseville, CA 95661.
 - c. All documents will require the signatures of the corporate officers of the Northern California Conference of Seventh-day Adventists in Roseville, California. (Northern California Conference holds legal title to all church owned property. Therefore, all sale documents must be signed by Northern California Conference of Seventh-day Adventist Officers.)
3. It is recommended that your realtor and/or any purchaser be provided with the Addendum under Step 10 at this time.

III. Accepting or Countering an Offer (Steps 9 through 12)

STEP 9 The church subcommittee can NOT accept an offer. However, the subcommittee CAN negotiate offers and make counter offers with the following contingencies. (Do not open escrow.)

STEP 10 On any counter offer or tentative acceptance, the following addendum MUST be added:

"Acceptance of this offer is subject to the following:

1. Approval of the (local church name) Seventh-day Adventist Church in business session. (Two to three weeks may be required.)
2. Approval of the Northern California Conference of Seventh-day Adventists, the legal owner of the property. (Four to five weeks may be required.)"

STEP 11 Call a church business meeting. (Please do according to the church manual policy. This may save you extra sessions in the future.)

1. Explain the procedure to this point.
2. Provide copies of the contract for sale to all interested parties.
3. Have your committee ready to explain how your decisions were made.
4. When vote is taken, count the following:
 - a. Attendance.
 - b. Votes in favor of sale.
 - c. Votes opposed to sale.

STEP 12 Approval of Northern California Conference will only take place after the local church, in business session, has approved the sale.

1. Submit the form NCC - 1(B) to Northern California Conference. All sections must be completed. A copy of the contract and any other appropriate documents will also be required.
2. Northern California Conference will inform church representative and realtor immediately of the action taken. (The actual contract will be signed by Northern California Conference Officers.)

IV. How to Open Escrow (Steps 13 through 16)

STEP 13 Escrow can be opened when local church and Northern California Conference have approved the sale.

STEP 14 Open the escrow in the name of the Northern California Conference of Seventh-day Adventist as seller.

1. Provide to the title company the name of your church and conference representative.
2. Provide to Northern California Conference the following:
 - a. Name of the title company used.
 - b. Name of title officer.

- c. Title company address.
- d. Title company telephone and fax numbers.
- e. Escrow number.

STEP 15 Instruct the title company that all documents should be sent to:

Northern California Conference of Seventh-day Adventists
P O Box 619015
Roseville, CA 95661
Telephone: (916) 886-5665

Attention: Director of Property Management

STEP 16 Instruct the title company that ALL funds in this transaction should pass through escrow. All monies can be sent to any of the following:

1. Northern California Conference to hold on account for local church.
2. Directly to local church.
3. Should a note need to be collected as a part of the transaction, the note can be collected by the local church treasurer or your church can have the Northern California Conference collect the note on your behalf.

NOTE: If you have any questions or need any information, please call or email the Northern California Conference Property Management Department (916-886-5665 / property@nccsda.com). We are also happy to meet with your church to help explain this process and answer any questions your church may have.

NCC-1(A) REQUEST TO SELL CHURCH OWNED PROPERTY

Church/School name: _____

Description of Property to be sold:

1. Address _____
2. Size _____
3. List of Buildings _____

4. Brief legal description, if available (also submit map showing location)

Present Use: _____

Reason for Sale: _____

BUSINESS SESSION ACTION: On _____ at _____ at _____
(Date) (Time)

(Church/School) (Place of Meeting) in business session

it was voted to request permission from the Northern California Conference to sell the
above described church owned property.

Recommended listing agent: _____

Recommended listing price: _____

Signed by: _____ Date: _____
Church Representative

Signed by: _____ Date: _____
Church Representative

Current Church Membership _____ Members Present _____
(number) (number)

How many "YES" votes? ____ How many "NO" votes? ____ How many abstained? ____

Signed by: _____ Date: _____
Church Clerk

NCC-1(B) REQUEST TO SELL CHURCH OWNED PROPERTY

Church/School name: _____

Description of Property to be sold:

1. Address _____

2. Brief legal description, if available (also submit map showing location)

Brief Description of Terms of Sale _____

*Note: Please attach the contract.

BUSINESS SESSION ACTION: On _____ at _____ at
(Date) (Time)
_____ at _____ in business session,
(Church/School) (Place of Meeting)

it was voted to recommend to the Northern California Conference to sell the above described church owned property for the sum of \$ _____ to be paid for as follows:

The proceeds shall be: 1. _____ Mailed to church treasurer
2. _____ Added to Church account in the Conference

Any Note will be collected by: 1. _____ Local Church
2. _____ Northern California Conference

Recommended Title Company to be used: Name: _____

Address: _____

Signed by: _____ Date: _____

Church Representative

Signed by: _____ Date: _____

Church Representative

Current Church Membership _____ Members Present _____
(number) (number)

How many "YES" votes? _____ How many "NO" votes? _____ How many abstained? _____

Signed by: _____ Date: _____
Church Clerk

SUGGESTED BALLOT

Please express your views on our Church selling the property as discussed in the communication from our Church leadership.

- I am in favor of the proposed sale of that certain property as proposed by our Church leadership.
- I am not in favor of the proposed sale of that certain property as proposed by our Church leadership.

Date: _____

Name: _____

NOTE: PLEASE RETURN THIS BALLOT TO YOUR LOCAL CHURCH WITHIN 10 DAYS OF RECEIPT OF BALLOT.

POLILCY FOR MEMBERSHIP APPROVAL OF REQUESTS
FOR PURCHASE OR SALE OF CHURCH PROEPRTY

Before a purchase or sale of any church real property can be approved by the Association Council, the proposed purchase or sale must be recommended by a majority of local members present at a properly noticed business meeting. If less than twenty percent (20%) of the local members attend such meeting, the church clerk is required to mail a ballot giving each member ten (10) days within which to recommend approval of the proposed purchase or sale. The church clerk must certify the mailing of such notice and the result of the vote by attaching it to the *Request for Approval of Purchase or Sale* form to be sent to the Trust & Property Management Council for its consideration and approval. The purchase or sale cannot be completed until it has been approved by the Northern California Conference Trust & Property Management Council.