

## INSTRUCTIONS FOR PURCHASING PROPERTY

(ALL PROPERTY IS TO BE TITLED TO SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS)

### I: BEGINNING THE PROCESS: Steps 1 – 3

- 1) Establish Search Committee or empower a subcommittee of your Church Board to search for property. Church should give specific guidelines to the subcommittee for:
  - i) Use (church, school, etc.)
  - ii) Location
  - iii) Cost
  
- b) Inform Region Director, Conference Treasurer and Director of Asset/Risk Management of the Southern California Conference of your plan to purchase property. This will allow Conference administration to assist you in your financial planning and stewardship plans.
  
- c) Inform all realtors of the following:
  - i) Type of use your Church desires (church, school, etc.).
  - ii) The "offer process" will take additional time because:
    - (1) You are a Church subcommittee.
    - (2) Local Church business meeting approval will be required.
    - (3) Conference Asset Management Committee and Executive Committee approval will be required.
    - (4) Offers made by Church subcommittee will not be binding on the Church/Conference.

### II: AFTER YOU LOCATE PROPERTY YOU DESIRE TO PURCHASE (Steps 4 - 11)

- 4) Contact Conference Treasurer to arrange inspection of the proposed property.
  
- 5) Call a Church Business meeting.
  - a) Present all facts relevant to the proposed purchase:
    - i) Location
    - ii) Intended Use
    - iii) Financing
    - iv) Copies of Contract
  
  - b) Prior site viewing by the church body is helpful in making good decisions.
  
- 6) Church subcommittee may make a **conditional** Purchase Offer but the actual offer must be made through and signed by Conference officers. ***All offers are subject to the following conditions:***

- a) On an Addendum to the **conditional** Purchase Offer, the following *must* be added: “**Offer subject to the following terms:**”
    - i) Approval of the (local church name) Seventh-day Adventist Church in business session is required (2 to 3 weeks may be required).
    - ii) Approval of the Southern California Conference Asset Management Committee and Executive Committee is required. (6 to 8 weeks may be required).
    - iii) Upon acceptance by Southern California Conference Asset Management Committee, all contracts will then be reviewed and approved through the Asset/Risk Management Department.
    - iv) A novation of this contract or an assignment of this contract to the Southern California Conference of Seventh-day Adventists will be required.
    - v) Offer is subject to obtaining a Conditional Use Permit (CUP) for the property to be used as planned, if needed.
    - vi) Offer is subject to the ability of the local entity to obtain financing, from the Pacific Union Revolving or Income Fund if financing is required.
  - b) The **conditional** Purchase offer must be signed by two individuals that must be either the Pastor, the Head Elder, or the Treasurer as representatives of the (insert local Church name).
- 7) Send or e-mail Purchase of Church Property Application (Form A) to Treasurer (Asset Management Committee Chair), Southern California Conference of Seventh-day Adventists, P.O. Box 969, Glendale, 91209. Items or processes that are required are as follows:
- a) A parcel map will be required with this application.
  - b) The Southern California Asset Management Committee will require that a physical site inspection of the proposed property to be purchased to have been performed per number 4) above.
  - c) A copy of the **conditional** Purchase Offer will be required with the Application.
  - d) The Asset Management Committee may require the following reports if applicable or useful in making an informed decision:
    - i) Appraisal or current market analysis.
    - ii) Termite/Pest Control Report.
    - iii) Structural Report
    - iv) Water quality or well report (quality and flow)
    - v) Environmental Impact Report
    - vi) Toxic Report.
    - vii) Septic/Sewer Report
    - viii) Any other reports or information deemed necessary to make an informed decision.
- 8) Asset Management Committee recommends purchase to the Conference Executive Committee for approval.

- 9) Inform Church's Realtor of all decisions as they are made.
- 10) The local Church must apply to the City or County for Conditional Use Permit if necessary.
- 11) If requesting a loan, obtain from the Conference Treasurer and fill out the proper application immediately. All Church accounts payable to the Conference or the Adventist Book Center and all school subsidies must be current before processing of a loan can begin.

**III: AFTER CHURCH AND CONFERENCE APPROVE PURCHASE (Steps 12-14)**

- 12) Conference will open escrow in the name of "Southern California Conference of Seventh-day Adventists" and inform Title Officer of the Following:
  - a) Title Vesting will be "Southern California Conference of Seventh-day Adventists".
  - b) Immediately initiate the Title Insurance Process.
  - c) Contract terms must express financing, if any, clearly to the Title Officer.
  - d) In the event of problems contact each of the following:
    - i) Local Church representative.
    - ii) Southern California Conference Asset/Risk Management Department  
Attention: Director of Asset/Risk Management  
P.O. Box 969  
Glendale, CA 91206

Telephone: (818) 546-8420; E-mail: [AssetMgmt@sccsda.org](mailto:AssetMgmt@sccsda.org)

ALL MONIES MUST PASS THROUGH ESCROW ACCOUNTS

**APPROPRIATIONS FROM CONFERENCE (based on new money\*)**

After approval of plans the church will be put on priority list and funds will be distributed as available, emergency projects being given top priority. Income producing properties are not eligible for Appropriations. All church/school accounts payable to Conference, Adventist Book Center and school subsidies must be current before appropriations can be received. (Check with Conference Treasurer as to when you can expect your appropriation.)

New Construction Building Purchase	20%
Land Purchase	20%

Maximum Conference Appropriation: **\$100,000**

\*New money: Difference between amount realized from sale of already owned property and price of newly purchased property. Example: Old property sold for \$100,000, new property cost \$175,000; the difference, \$75,000, is new money upon which appropriation is based.

**NOTE:** If you have questions or need information, please call the Conference Treasurer or Director of Asset/Risk Management. Do not hesitate to call; we want to be kept up to date on your progress. We are willing to meet with your church to help explain this process.

## FORM A – APPLICATION TO PURCHASE PROPERTY

Submit to Conference Treasurer (Asset Management Committee Chair)

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Name and Address of Church

Check appropriate box and use this form for approval of any of the following:

- Purchase of Raw Land  
 Purchase of Real Estate with Usable Buildings  
 Purchase of Real Estate as Income Property

Description of Intended Use: \_\_\_\_\_

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Annual Tithe for last three years: 20\_\_ \$\_\_\_\_\_; 20\_\_ \$\_\_\_\_\_; 20\_\_ \$\_\_\_\_\_

The Church subsidizes the \_\_\_\_\_ Elementary School and \_\_\_\_\_ Academy.

Are school subsidy payments current? Yes \_\_\_ No \_\_\_ If not, how much is owed? \$\_\_\_\_\_

School subsidy verification - Signature of Principal or School Treasurer is REQUIRED:

\_\_\_\_\_                      \_\_\_\_\_                      \_\_\_\_\_                      \_\_\_\_\_  
Date                      Elementary School                      Date                      Academy

Are following accounts current? Southern Calif. Conference: \_\_\_\_\_

Adventist Book Center: \_\_\_\_\_

Church Membership or School Enrollment: \_\_\_\_\_

Approximate date for beginning project: \_\_\_\_\_

**Attach copy of Church Business Meeting Minutes signed by both the Pastor and Head Elder.**

### Procedure:

- A. See and follow procedures outlined in **Instructions for Purchasing Property**
- B. Complete only appropriate section of Form A (I, II, and/or III). **Purchase of property must be in the name of Southern California Conference of Seventh-day Adventists and Conference officers must handle the purchase process.**
- C. Present **Form A** and other items requested in the section you completed, to **Conference Treasurer at least one week prior to Asset Management Committee meeting.**

**I: PURCHASE OF RAW LAND (with no buildings or no usable buildings)**

- 1) Location: \_\_\_\_\_
- 2) Submit map showing property location.
- 3) Describe Dimensions: \_\_\_\_\_
  
- 4) Described planned use: \_\_\_\_\_
- 5) Check with City/County Planning Department:\*

  - a) How is land zoned?
  - b) Does zoning allow for your planned use? Yes \_\_\_\_\_ No \_\_\_\_\_  
If not, a conditional use permit will be required.

\*Note: This will be limited to a conversation with those in charge of zoning regulations. They will tell you of zoning restrictions but will make no statement or promise until specific written plans are submitted. It will be best to go in person; ask them to locate the property on their maps and tell you of zoning.

- 6) If needed, obtain Environmental Assessment for planned use.
- 7) Submit photographs of land.
- 8) Submit Tentative Financial Plan:

Asking price of property:     \$ \_\_\_\_\_

Maximum you will offer:     \$ \_\_\_\_\_

Cash on hand                     \$ \_\_\_\_\_

Plan to raise from members \$ \_\_\_\_\_

**II: PURCHASE OF REAL ESTATE WITH USEABLE BUILDINGS**

- 1) Location: \_\_\_\_\_
- 2) Attach Legal Description
- 3) Describe Dimensions: \_\_\_\_\_
- 4) Describe existing buildings: \_\_\_\_\_
- 5) Type of Construction: \_\_\_\_\_
- 6) Apparent condition of present building(s): \_\_\_\_\_  
\_\_\_\_\_

7) Do buildings meet current earthquake standards? Yes \_\_\_\_\_ No \_\_\_\_\_

8) Are Handicapped Requirements Met? Yes \_\_\_\_\_ No \_\_\_\_\_

9) Are Life Safety Requirements Met? Yes \_\_\_\_\_ No \_\_\_\_\_

10) Describe planned use of property and building(s): \_\_\_\_\_

11) Submit photographs of land and buildings.

12) If needed, obtain Environment Assessment for planned use.

13) Check with City/County Planning Department:\*

a) How is land zoned?

b) Does zoning allow for your planned use? Yes \_\_\_\_\_ No \_\_\_\_\_

If not, a conditional use permit will be required.

\*Note: This will be limited to a conversation with those in charge of zoning regulations. They will tell you of zoning restrictions but will make no statement or promise until specific written plans are submitted. It will be best to go in person; ask them to locate the property on their maps and tell you of zoning.

14) Submit Tentative Financial Plan:

Asking price of property: \$ \_\_\_\_\_

Maximum you will offer: \$ \_\_\_\_\_

Cash on hand \$ \_\_\_\_\_

Plan to raise from members \$ \_\_\_\_\_

**III: PURCHASE OF REAL ESTATE AS INCOME PROPERTY (No Conference Appropriation Given)**

- 1) Location: \_\_\_\_\_
- 2) Attach Legal Description
- 3) Describe Dimensions: \_\_\_\_\_
  
- 4) Describe existing buildings: \_\_\_\_\_
  
- 5) Type of Construction: \_\_\_\_\_
  
- 6) Apparent condition of present building(s): \_\_\_\_\_  
\_\_\_\_\_
  
- 7) Do buildings meet current earthquake standards? Yes \_\_\_\_\_ No \_\_\_\_\_
  
- 8) Are Handicapped Requirements Met? Yes \_\_\_\_\_ No \_\_\_\_\_
  
- 9) Are Life Safety Requirements Met? Yes \_\_\_\_\_ No \_\_\_\_\_
  
- 10) Describe present and future planned use of property and building(s): \_\_\_\_\_  
\_\_\_\_\_
  
- 11) Submit photographs of land and buildings.
  
- 12) If needed, obtain Environment Assessment for planned use.
  
- 13) Check with City/County Planning Department: \*
  - a) How is land zoned?
  - b) Does zoning allow for your planned use? Yes \_\_\_\_\_ No \_\_\_\_\_  
If not, a conditional use permit will be required.

\*Note: This will be limited to a conversation with those in charge of zoning regulations. They will tell you of zoning restrictions but will make no statement or promise until specific written plans are submitted. It will be best to go in person; ask them to locate the property on their maps and tell you of zoning.

- 14) Submit Tentative Financial Plan:  
Asking price of property: \$ \_\_\_\_\_  
Maximum you will offer: \$ \_\_\_\_\_  
Cash on hand \$ \_\_\_\_\_  
Plan to raise from members \$ \_\_\_\_\_  
Anticipated Monthly Income \$ \_\_\_\_\_