

#### **4.7.1 CHURCH PROPERTY PURCHASE (BUILDING/LAND)**

**POLICY:** Property acquired by any Foursquare Gospel Church by purchase shall be registered in the name of the Foursquare Gospel Church of Canada [see Bylaws, Section IX, Subsection H, Paragraph 9]. Such property shall remain under the stewardship of the acquiring church for their church-related use. The Church Council and congregation must approve of the purchase and borrowing.

Property may be purchased and encumbered only upon the written recommendation of the president and the approval of the National Board. The pastor or member of the Church Council may only sign offers and counter-offers for the purchase of Church Property strictly in accordance with this Policy and has no authority to legally bind the Foursquare Gospel Church of Canada. Failure to strictly abide by the restrictions in and requirements of this Policy may have the legal effect of making the pastor or member of the Church Council personally responsible for the completion of a contract of purchase and sale.

The president and the National Board shall first approve any property registration conveyance, or declaration of trust under which any properties are held.

**PROCEDURE:** If the church desires to purchase property or to encumber property by a mortgage or any form of loan, the procedure is as follows:

1. Prior to beginning a search for property the pastor (with the approval of the Church Council) shall consult with the Unit Supervisor about intent to purchase building and/or land.
2. Conduct Property Purchase Evaluation with the assistance of the National Office to determine the church's ability to purchase and sustain a church property. If a positive evaluation is made then proceed to next step.
3. The Lead Pastor shall gain council approval to move forward based on the evaluation. Submit written request to obtain consent of the president to begin search.
4. Search and make an offer on suitable property.
  - Ensure that any interim agreement offering to purchase property contains the following statements, adjusted to reflect the definitions and terms of the document being signed:
    - *“The person(s) signing this offer on behalf of the Buyer has/have no legal authority to bind the Foursquare Gospel Church of Canada or obligate it to perform any of the obligations of the Buyer. This offer may only be considered to be legally binding on the Foursquare Gospel Church of Canada when approved by its Board of Directors and notice of such approval has been provided to the Seller, in writing.”*

- *“This offer is subject to the approval of the Board of Directors of the Foursquare Gospel Church of Canada on or before <<date>>. This condition: (a) is for the sole benefit of the Foursquare Gospel Church of Canada; (b) cannot be waived; and (c) can only removed by notice in writing to the Seller on or before the date indicated.”*
  - A minimum of 21 days is required for subject removal of National Board approval and additional subjects.
5. Immediately send copy of accepted offer to National Office. A site visit will be conducted by a representative of the National Board.
  6. Once the offer has been accepted, a site visit conducted, and the Church Council has approved the purchase and loan, call meeting as outlined in the admin manual.
    - Approval to purchase property; provide wording for motion to be approved.
    - Approval to obtain a loan; provide wording for motion to be approved.
  7. Submit Application for Approval to National Board for approval with the following documents (The completed application will also be sent to the bank for approval of financing):
    - Application for Permission to Purchase
    - Application for Permission to Obtain a Loan (if applicable). Board approval is subject to bank approval of financing for the purchase.
    - Church financial statements for 3 years
    - Cash Flow Analysis
    - Approval by City for use of property for church purposes or Zoning Requirements
    - Application for Operating/Business Permit from City.
    - Property Appraisal
    - Property Inspection (including Environmental)
    - Estimated Budget of Property Purchase including upgrades, city zoning applications, closing costs.
  8. A written copy of the National Board’s approval for purchase and financing will be provided to Pastor.
  9. With the council, congregation and National Board approvals in hand the pastor or their designate may remove the subject clause in the offer.
  10. Contract will be delivered to the legal counsel of the Foursquare Gospel Church of Canada who will oversee the closing of the purchase
  11. Pastor to ensure that proper insurance coverage is in place on completion date.