

## Report of the Task Force on Property Titles

Approved June 8, 1976

Minutes, pp. 6855-57

The Task Force Recommends:

1. That the Presbytery of Chicago record and maintain legal title to properties under the corporate name of the "Church Extension Board of the Presbytery of Chicago" or "The Trustees of the Presbytery of Chicago" under the following conditions:
  - a) Purchase of property for new congregational development projects.
  - b) Properties transferred to Presbytery on the close or dissolution of a congregation or other mission unit.
  - c) Properties related to, or as part of, specific programs or projects under the immediate direction of the Presbytery.
  - d) Properties held for the benefit of the Presbytery where there is no congregation, corporation or organized Board of Trustees.
  - e) Other properties as directed by the Presbytery.
  
2. That the Presbytery of Chicago through its appropriate corporations, maintain a policy whereby title to all properties related to a congregation be transferred to the local congregation (corporation) by Quit Claim Deed, containing the phrase "so long as the property is used for the purposes of the church as a congregation of the Presbyterian Church (U.S.A.)", and subject to the following guidelines:
  - a) That a congregation be able to show evidence of incorporation with a copy of the appropriate documentation.
  - b) That a Board of Trustees (or equivalent) has been established as provided by the Book of Order, Chapter 4.01, and shows evidence of being able to fulfill required obligations and responsibilities, including:
    - 1) Safekeeping of records of property including title, legal description, and title insurance or equivalent.
    - 2) Real Estate tax records and maintenance of tax-exempt status, where appropriate.
    - 3) Adequate property and liability insurance coverage consistent with Presbytery recommendations.
    - 4) Responsibility for regular supervision of all loans, mortgages or liens against the property and keeping required payments up to date.
    - 5) Maintenance and repair of property.
    - 6) Approved audit of all accounts.
  - c) That the congregation be urged, in consultation with Business Affairs Work Group, to request transfer of title, and that such request include a program outlining plans and procedures to assume full responsibility for all loan obligations.
  - d) That all instruments securing loans or legal obligations, at the discretion of Business Affairs, be duly recorded as liens on the appropriate property.
  - e) That transfer of title be subject to consent by all parties or organizations holding liens, mortgages or loans against the property, to such transfer of title and the transfer of loan to new title holder.
  - f) In connection with any such proposed transfer of title, that the Presbytery of Chicago support the credit of its congregations when necessary and appropriate by a guarantee or co-signature of obligations which have been approved by Presbytery on recommendation of the Presbytery Coordinating Commission.

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3. That the Presbytery of Chicago, through its appropriate corporations, negotiate with non-congregational units, including neighborhood centers, where property is held in the name of the Presbytery for transfer of title on such property, based on:
  - a) A duly organized and existing corporation with an authorized Board of Directors or Trustees.
  - b) Assumption or agreement regarding all legal liens or liabilities on record against the property.
  - c) Provision in the Articles of Incorporation of the organization that the assets of the corporation revert to the Presbytery of Chicago or its corporations upon dissolution of the corporation, and that this provision in the Articles of Incorporation may not be amended or changed without the concurrence of the Presbytery of Chicago.
  - d) Agreements regarding support and contributions to the unit by the Presbytery of Chicago and/or its congregations based on clarification of the relationship to Presbytery.
4. That proceeds from the sale of properties resulting from dissolution of a congregation or a non-congregational unit shall be deposited by the Presbytery of Chicago for use as may be determined by the Presbytery upon recommendation of the Presbytery Coordinating Commission based on:
  - a) Due regard for mission responsibility of the Presbytery in the general geographic area of the property sold.
  - b) Relocation of a particular ministry.
  - c) Comprehensive strategy concerns of the Presbytery as recommended by the Presbytery Coordinating Commission.
5. That in the interest of preserving the intent and interest of possible bequests or gifts in the name of a unit, that when a congregation is dissolved, that the trustees of Presbytery be elected as the succeeding trustees of the congregation.
6. That all congregations be requested to participate in an inventory of all properties related to any units of the Presbytery for the purpose of establishing in the Presbytery office a back-up record of all property and legal concerns to prevent loss or destruction of records and that:
  - a) Inventory information be secured by questionnaire or such other procedures as authorized by Business Affairs.
  - b) Inventory to include compilation of:
    - 1) Cross-reference of all properties for street address, legal description, tax index number, title holder.
    - 2) Copy of Title insurance policy or copy of Torrens title – to date.
    - 3) Record of all liens or obligations on property.
    - 4) Record of insurance and valuation.
    - 5) Report on condition of property.