

From the Administrative Commission on Congregational Property

**G-8.0501 and G-8.0502 from the Book of Order**

5. Selling, Encumbering, or Leasing Church Property

- G-8.0501 A particular church 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 particular church.
- G-8.0502 A particular church shall not lease its real property purposes of worship, or lease for more than five years any other real property, without the written permission of the presbytery transmitted through the session of the particular church.

The Presbytery has empowered the Administrative Commission on Congregational Property with the powers of an Administrative Commission to consider and approve requests from churches to lease, sell or encumber the real property of a church. Any action in this regard by a congregation without the Presbytery's permission will not be recognized as legally valid.

**If your church is considering leasing, selling or encumbering real property** call Acting Associate General Presbyter, Dick Lowery at 240-514-5356 or email [dlowery@thepresbytery.org](mailto:dlowery@thepresbytery.org).

**02-17-2009 National Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the National Presbyterian Church of (NPC), a member in good standing of the NCP, to sell at a price to be determined by NPC the residential property identified as Lot 3 in the subdivision of Alnor Heights, as the same appears duly dedicated, platted and recorded in Liber D-15, page 30, among the land records of Fairfax County, Virginia, which currently has the address of 8 Cockrell Avenue, Alexandria, Virginia 22304, with a 2008 tax assessment value of \$1,082,678, to be acquired February 20, 2009 by NPC by authorization contained in a separation agreement between the Rev. Dr. Gareth Icenogle, NPC, and NCP's Committee on Ministry. This approval is subject to the approval of the congregation at a meeting scheduled on February 22, 2009. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the sale is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

**03-17-2009 Providence Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, ratified the signing by the officers of NCP, Inc. on February 24, 2009 of the Power of Attorney for a Special Use Permit for the Providence Presbyterian Church (PPC), a member in good standing of the NCP. Such Power of Attorney appointed John L. McBride, Esq. and Amber K. Scharn, Esq. of Odin, Feldman & Pittleman, P.C., as the attorneys-in-fact for the Special Permit Amendment Application (related to and amending SPA 82-A-039-4), for Co-Applicants, Trustees of Providence Presbyterian Church, National Capital Presbytery, Inc. and The Providence Nursery School, Inc., for a church/place of worship, with a childcare center/nursery school and a private school of general education, on the property located at 9001, 9005 and 9019 Little River Turnpike; this appointment was effective as of January 5, 2009 and shall remain in effect until revoked or modified. The Power of Attorney was reviewed by legal

counsel of NCP prior to signature. Further, the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to further complete the transaction.

### **03-17-2009 Potomac Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Potomac Presbyterian Church (PPC), a member in good standing of the NCP, to borrow up to \$325,000 in a loan with a term not to exceed 25 years, secured by the church manse at 1987 Lancashire Drive, Potomac, MD, for the purpose of buying out the equity interest of the Rev. Dr. Kerry Stoltzfus upon his retirement, per an agreement entered into between the church and Pastor Stoltzfus in January 1, 1987, whereby he would equally share in any appreciated value of the manse and that the church would repurchase that equity at the time of his departure. The actual equity purchase price is to be based upon the appraised value of the manse less the amount of Dr. Stoltzfus' outstanding loan. The ACCP requests that PPC prepare and submit a 2009 Budget including the debt service on this loan, and that PPC submit their year-end financial statements to the ACCP for review until the loan is paid off. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the loan is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

### **03-17-2009 Covenant Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Covenant Presbyterian Church (CPC), a member in good standing of the NCP, to refinance and restructure its current indebtedness to United Bank (currently a 1<sup>st</sup> DOT mortgage with an outstanding balance of \$5,066M for 25 years at 6.64% and an interest-only loan with an outstanding balance of \$2,000M at 6.68%) to three new loans:

- 1) an interest only loan with a balance of \$1,750M secured by a United Bank CD, with a net interest cost of 1% and net annual debt service of \$17,500;
  - 2) an amortizing mortgage with an initial balance of \$3,345M for 25 years at 6.35%, with estimated annual debt service of \$267,000; and
  - 3) an amortizing mortgage with an initial balance of \$2,000M for 25 years at a floating rate of P+1%, with a 5% floor, and initial annual debt service based on a 5% rate of \$140,000.
- The purpose of this loan restructuring is to reduce the annual debt service obligations and to free up \$225,000 in excess cash currently pledged on the existing loans. This approval is subject to satisfactory evidence of the approval by the Session and by the Congregation of CPC.

Because of concern by the ACCP for the ongoing ability of CPC to meet its annual debt service obligations beyond 2009, and because of the large dollar amount of the outstanding loans and the guarantee of NCP for those loans, the ACCP requires that CPC report by letter quarterly to the ACCP on CPC's loan repayment and congregational finances, with copies of the year-to-date financial statements for the congregation attached with that letter, and that annually a representative of CPC will meet with the ACCP to discuss the loan repayment and congregational year-end financial statements. It is the desire of the ACCP that this annual review meeting begin in April of 2009. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the loan refinance and restructuring is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

**05-20-2009 Falls Church Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Falls Church Presbyterian Church (FCPC), a member in good standing of the NCP, to refinance its existing loan with BB&T bank maturing in June, 2009 with a new loan in the amount of \$1,528,021, with a 20-year amortization and a five year maturity, at a fixed rate of 5.95% and monthly payments of approximately \$10,350. FCPC was also granted approval for a \$100,000 Line of Credit at prime rate for a one year term, interest only payments at prime rate (3.75% floor). Both loans are to be secured by a first deed of trust on the church property located at 225 East Broad Street, Falls Church, VA. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the loan refinance is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

**05-20-2009 Korean Presbyterian Church of Rockville**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Korean Presbyterian Church of Rockville (KPCR), a member in good standing of the NCP, to refinance its existing loans and outstanding debt (currently \$744,188 outstanding to Sun Trust Bank, with a monthly payment of \$6,034; \$204,800 outstanding to Presbyterian Investment and Loan Program (PILP), with a monthly payment of \$2,452) into a single new loan with Sun Trust Bank in the initial outstanding amount up to \$985,000, with a 10-year amortization and a three year maturity, at a fixed rate of 4.83% and monthly payments of approximately \$6,311, to be secured by a first deed of trust on the church property located at 800 Hurley Ave, Rockville, MD (estimated value of \$4,500,000. This approval is conditioned upon evidence of approval by the Board of Trustees for the full loan amount up to \$985,000 to be refinanced and that future financial statements provided to the Presbytery be fully in English or bilingual. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the loan refinance is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

The ACCP also noted that there is an outstanding balance of \$14,382.20 due to NCP for payments made previously by NCP to PILP on behalf of KPCR but not yet reimbursed by the congregation. Subsequent to the ACCP meeting, it was determined that this amount can not be included with the amount to be refinanced, but that KPCR will agree to reimburse NCP for this amount on a monthly payment schedule over a mutually agreeable time period not to exceed 18 months.

**05-20-2009 Kirkwood Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Kirkwood Presbyterian Church (KPC), a member in good standing of the NCP, to convey the property of Kirkwood Presbyterian Church from the Trustees of Kirkwood Presbyterian Church to the newly formed corporation herein known as Kirkwood Presbyterian Church, Inc. and to execute a deed of conveyance containing the following language: "The premises herein conveyed shall be used, kept, maintained and held in trust by the grantee for Divine Worship and other purposes of its ministry as a particular church belonging to the National Capital Presbytery (or its legal successors) subject to the provisions of the Constitution of the Presbyterian Church (USA)." Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the property transfer is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

**06-16-2009 Immanuel Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Immanuel Presbyterian Church (IPC), a member in good standing of the NCP, to refinance its existing loan with Wachovia Bank with a new loan from Chain Bridge Bank in the amount up to \$635,000, with a 12-year amortization and a 12-year maturity, at a rate of 5.4% fixed for 5 years, and then adjustable based on 5-year UST plus 3% for the remaining term of the loan, with a floor of 5.4%, and monthly payments of approximately \$8,400. This loan is to be secured by a 1<sup>st</sup> Deed of Trust & Assignment of Leases and Rents on the property located at 1125 Savile Lane, McLean, VA, with a pledge by NCP to provide security interest in this property. NCP is NOT required as a guarantor on the underlying loan. If the actual loan amount at closing exceeds the \$580,000 approved by the Session of IPC on May 28, 2009, then evidence of a new resolution from the Session indicating their approval of the larger loan amount should be provided to NCP.

IPC was also granted approval for a \$150,000 Line of Credit at Wall Street Journal Prime rate (with a 5.0% floor) with an annual review, interest only payments monthly, secured by a UCC Lien on the church organ. Further, these approvals are for a period of one year from this date, and is subject to review by the ACCP if the loan refinance is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

The ACCP suggested that IPC continue to seek further clarification of the clause under “Financial Information” on the commitment letter dated June 10, 2009 from Chain Bridge Bank. It was noted that this clause could be interpreted in various ways, from requiring an accounting firm to provide unaudited financial statements to the bank requiring a full audit and GAAP-prepared financial statements.

**09-02-2009 Sixth Presbyterian Church**

Following extensive discussion and the review of information provided by the congregation at the request of the committee, and under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Sixth Presbyterian Church (Sixth), a member in good standing of the NCP, to enter a lease contract with Cricket Communications, Inc. to place a Communications Center consisting of equipment for the transmission and reception of cell phone signals in the bell tower of the church building located at 5413 16<sup>th</sup> Street, NW, Washington, DC. The term of this lease is for a period of five years beginning September, 2009 with a monthly rental of \$2,000 per month. The lease will renew for additional five year terms upon written mutual consent by both parties with a rent increase of 3% annually during the renewal terms. Either party may choose not to renew the lease for an additional five year term with proper notice at the time of renewal. This approval is subject to Cricket defining in writing the following terms: 2(b) “unreasonably withheld”; 7(b) “non-monetary default”; and that Sixth will notify Cricket Communication in writing of all of the existing cell tower carriers and services currently leasing communication facilities from Sixth, and Cricket will acknowledge that it has received such notice and that it finds no current signal interference as of the date of signing this lease. Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the lease is not executed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.

The ACCP noted that this lease was approved because it contains a clause allowing the church to choose not to renew the lease after five years and every five year period thereafter.

The ACCP further requested that copies of all existing cell tower communication center leases and related communication for Sixth be maintained in the Presbytery office.

10-20-2009    **Fairlington Presbyterian Church**

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP), by consensus action, authorized the Fairlington Presbyterian Church (FPC) of Arlington, Virginia,, a member in good standing of the NCP, to convey the property of Fairlington Presbyterian Church from the Trustees of Fairlington Presbyterian Church to the newly formed corporation herein known as Fairlington Presbyterian Church, Inc. and to execute a deed of conveyance containing the following language: “The premises herein conveyed shall be used, kept, maintained and held in trust by the grantee for Divine Worship and other purposes of its ministry as a particular church belonging to the National Capital Presbytery (or its legal successors) subject to the provisions of the Constitution of the Presbyterian Church (USA).” Further, this approval is for a period of one year from this date, and is subject to review by the ACCP if the property transfer is not completed within that time period, and the ACCP authorizes the officers of NCP, Inc., as agents of the corporation, to sign any documents required to complete the transaction.