INSTRUCTIONS FOR LEASE & FACILITY USE AGREEMENTS

Which agreement should we use?

□ **Lease Agreements:** Lease agreements should be used for longer rental agreements where a tenant will be given exclusive possession and control of the church/school premises for a specific period of time. Under a lease, a tenant generally has exclusive use of the property and can often exclude others (including the landlord) from using the premises for that contracted rental term.

- Typically long-term (months or years).
- Examples: Leasing an office or building space, renting out an apartment/home.

□ **Facility Use Agreements:** Facility use agreements gives renters a limited, non-exclusive right to use a facility to conduct a certain activity (e.g., a sanctuary, gym, classroom, or hall).

- Short-term or occasional use (designated hours or days)
- Examples: Single events, periodic activities, Sunday worship services.

CHECKLIST

Now what do we need to do?

□ **Complete the Agreement – whether Lease or Facility Use**. Both parties must fully complete and sign the Agreement. Afterwards, please submit to the Legal and Property Services Department for a final review and signature by our SECC Treasurer, Verlon Strauss.

□ **Keep & Send a Copy**. Keep a copy of the fully executed Agreement for your files and provide a copy to the Legal and Property Services Department.

□ **Certificate of Insurance**. On the Certificate of Insurance, the coverage for general liability should be at the required levels. (Required coverage: $1M for each occurrence and $3M for annual aggregate). The dates on the Certificate must also cover the entire lease term, and SECC and the church/school must be added as an additional insured.

□ **Tax-Exempt Status**. If the renter is a non-profit organization, proof of their non-profit 501(c)(3) status or other appropriate non-profit status must be provided. Please be advised that renting your property to a "for-profit" entity or any entity that does not qualify as a tax-exempt organization under the IRS or California Revenue and Taxation Code may cause you to lose all or a portion of your property tax exemption.

□ **Proposed Use**. Prior to allowing another organization to use your property, you should first determine whether the proposed use will disqualify your property from the religious or welfare exemption. Usage of church/school property by outside organizations generally should be occasional, brief and incidental, so as not to jeopardize the exemption. If you are unsure or have any questions about a proposed use, please contact the Legal and Property Services Department.