

Presbytery of Northern Waters
Special Meeting Minutes
June 17, 2021, at 1:00 PM
Via Zoom

Call to Order

- Rev. Dorothy Duquette, Moderator, opened the meeting with prayer at 1:01 pm.
- Rev. Brad Carloss, Stated Clerk, declared a Quorum.

Opening Prayer

Appointment of Amanda Keppers as Recording Clerk and Roll Clerk

- Amanda Keppers, Minutes Clerk of Presbytery of Northern Waters, was appointed the Recording Clerk and Roll Clerk.

Stated purpose of the Meeting – To act on two separate requests.

1. Approval of Lakeside Presbyterian Church, Duluth, MN to enter into a loan agreement with the Presbyterian Investment Loan Program (PILP)

- David McMillan, member of Lakeside's session and chair of Lakeside's Administrative Commission, spoke on behalf of Lakeside
 - Lakeside has been doing pay as you go repairs over the years using some income from endowment.
 - There are four large projects that need to be done. The projects are as follows: a complete rebuild of the parking lot, installation of new steel doors with electric mechanisms for handicap access, and tower structure repair and tuckpointing. The estimated total cost of repairs is \$150,000.00. Lakeside has \$50,000.00 in their capital fund.
 - They have been working with PILP and they have agreed to cover \$100,000.00 pending the approval of Presbytery.
 - The Administrative Commission plans to go to session in July to start the process of/launch a \$150,000.00-\$200,000.00 Capital Fund Campaign.
 - The terms of the loan are three percent interest rate with \$960 monthly fee. The plan is to repay the loan as quickly as possible using one- to three-year commitments from church members.
- Rev. Kari Jutila reported
 - She received from PILP a contract and they have approved the loan upon the Presbytery approval.
- Jim Deters made a motion to approve Lakeside Presbyterian Church to enter into a loan agreement with the Presbyterian Investment Loan on behalf of Lakeside.
- Lawrence Lee seconded the motion.
- There were no questions or discussions regarding the PILP.

- **A motion to approve Lakeside Presbyterian Church, Duluth, MN to enter into a loan agreement with the Presbyterian Investment Loan Program was moved, seconded, and carried.**
 - Rev. Kari Jutila and David McMillan offered their thanks on behalf of their session, church, and Administrative Commission.

2. Approval of sale of property by First Presbyterian Church, Duluth, MN

- Rev. Dr. Karen Schuder, Moderator of First Presbyterian Church, reported and thanked Madame Moderator and the Presbytery for assisting in this matter
 - The congregation has been thoughtful and intentional about the decision of whether or not to pursue selling the parking lot. They are doing this with the support and direction of the Administrative Commission, put in place by the Presbytery. They are working towards a financially responsible, future plan for the congregation. The money from this sale will give them the resources to be able and open to God's Spirit at work and help them in the transition of moving forward. The agreement does include use of the parking lot. They will not lose the ability to have parking spaces.
- Paul Johnsen, Elder and Session Member, reported
 - In order to show Presbyterian process, he was asked to go through a set of steps that were involved after the February 21, 2021, congregational meeting where they unanimously approved the sale of the parking lot.
 - A formal legal description was provided (see attached).
 - Following the congregational meeting, Paul contacted Daniel Cebelinski of Essentia Health and received a purchase agreement, for the purchase of the parking lot, for \$400,000.00 with a notation that during the construction of the parking lot First Presbyterian Church members would have free access to a parking lot about one block away. The purchase price is dependent upon an appraisal done by Ramsland & Vigen, INC. of Duluth, MN. The appraisal is dated Jan 13, 2020. They determined the market value of the land to be \$175,000.00 and the 45 parking spaces to be \$200,000.00. They based their appraisal on the 12,850 square feet of land being \$8.00 - \$10.00 per square foot resulting in values of approximately (rounded to) \$100,000- \$200,000. The 45 spaces were estimated at \$3,500.00- \$4,500.00 per space which makes the spaces worth approximately \$160,000.00-\$200,000.00. The appraisers used the market values of \$175,000.00 and \$200,000.00 equaling \$375,000.00. The offer from Essentia is for \$400,000.00. This is \$25,000.00 over the estimated value.
 - Currently they are working with the city of Duluth, as a grant was involved to build the parking ramp. The city of Duluth will be granting the parking spaces to First Presbyterian Church, Duluth.
 - The beginning processes that are in place are that: they worked with Essentia Health to see if still interested in the property, they are working with Rob Merrit, an attorney used by the Administrative Commission who is working with the attorneys representing Essentia Health and the City of Duluth.

- Paul Rigstad moved the motion which was brought to the Presbytery under advisement and the support of the Administrative Commission of First Presbyterian Church, Duluth, MN. Rev.
- John Gibbs seconded the motion.
- The floor was opened for discussion and questions.
 - Rev. Brett Foote asked if an offer to buy the church was made at any time.
 - Paul responded that an offer for the building was not made at this time but may be a future option to look into further down the line.
 - Amanda Keppers, Presbytery of Northern Waters Office Administrator, asked that there be clarification as to what LPL stands for as she had received this question via email prior to the meeting.
 - Paul responded that the \$400,000.00 purchase price would be placed in the LPL Financial account which is under the Administrative Commission’s jurisdiction.
 - Amanda clarified that “LPL” is often a shortened reference to “LPL Financial” which is an investment firm based in Duluth, MN.
 - Jim Deters asked to call the question. A vote to end discussion occurred and was approved unanimously.
- **A motion to approve the sale of the First Presbyterian parking lot property by First Presbyterian Church, Duluth, MN was moved, seconded, and carried unanimously.**
 - Paul Johnsen and Rev. Dr. Karen Schuder thanked the Presbytery on behalf of First Presbyterian Church, Duluth, MN.

Report of Roll

(See attachment for attendance roster)

○ Teaching Elders	13
○ Ruling Elders	9
○ Commissioned Ruling Elders	1
○ Council Members	1
○ Inquirers/Candidates	0
○ Corresponding Members	0
○ Staff	2
○ Visitors/Observers	5
○ Total	31
○ Offering Received	Not applicable

Adjournment

- **A motion to adjourn the specially called meeting was moved, seconded, and carried.**

Closing Prayer

- Rev. Dorothy Duquette, Moderator, closed the meeting with prayer at 1:23 pm.

Minutes Respectfully Submitted by

Amanda Keppers,

Minutes Clerk, Presbytery of Northern Waters

Amanda Keppers

From: Pastor Kari Jutila <PastorKari@lakesidepreschurch.org>
Sent: Thursday, June 3, 2021 11:24 AM
To: Amanda Keppers; J & D Duquette; brad.carloss@gmail.com; Rich Blood; robyn@glenavonchurch.org; David McMillan
Subject: Special Presbytery Meeting

Follow Up Flag: Follow up
Flag Status: Flagged

We are requesting a special meeting of the Presbytery of Northern Waters to approve Lakeside Presbyterian Church's mortgage from Presbyterian Investment and Loan Program (PILP) of \$100,000. This is for remodeling projects. One of the projects is an exterior electric mechanism to open a new handicapped door.

Rev. Robyn Weaver
Rev. Kari Jutila
Elder Deb Sauer, Glen Avon
Elder David McMillan, Lakeside



**Investment &
Loan
Program Inc.**

PRESBYTERIAN INVESTMENT & LOAN PROGRAM

100 Witherspoon Street * Louisville KY 40202-1396

(800) 903-7457 * website: pilp.pcusa.org

email: loan.help@pcusa.org

LOAN APPLICATION

DATE (MM/DD/YYYY)

SECTION A: GENERAL INFORMATION ABOUT BORROWER

BORROWER'S NAME AS LISTED ON ARTICLES OF INCORPORATION OR LATEST AMENDMENT TO ARTICLES OF INCORPORATION

STREET ADDRESS CITY ST ZIP

MAILING ADDRESS IF DIFFERENT THAN STREET ADDRESS CITY ST ZIP

PHONE FAX COUNTY CHARTER DATE (MM/YYYY)

LOAN AMOUNT REQUESTED LOAN TERM (YEARS) DESIRED CLOSING DATE CONSTRUCTION BEGINS FUNDS NEEDED BY

If church, whose name is on the title to the church property? CHURCH PRESBYTERY

If church, will church property serve as collateral for the loan? YES NO

Estimated value of land and buildings Number of acres

PURPOSE OF LOAN (CHECK ALL THAT APPLY)

- | <u>NEW CONSTRUCTION</u> | <u>RENOVATIONS/REPAIRS</u> | <u>PURCHASE</u> | <u>REFINANCE</u> |
|---|---|--|--|
| <input type="checkbox"/> SANCTUARY | <input checked="" type="checkbox"/> SANCTUARY | <input type="checkbox"/> EXISTING BLDG | <input type="checkbox"/> EXISTING MORTGAGE |
| <input type="checkbox"/> CHRISTIAN ED SPACE | <input type="checkbox"/> CHRISTIAN ED SPACE | <input type="checkbox"/> LAND/SITE | <input type="checkbox"/> BOND ISSUE |
| <input type="checkbox"/> MULTI-PURPOSE BLDG | <input checked="" type="checkbox"/> MULTI-PURPOSE BLDG | <input type="checkbox"/> NCD SITE | <input type="checkbox"/> CONSTRUCTION LOAN |
| <input type="checkbox"/> ENERGY EFFICIENCY | <input checked="" type="checkbox"/> ENERGY EFFICIENCY | | |
| <input type="checkbox"/> ACCESSIBILITY | <input checked="" type="checkbox"/> ACCESSIBILITY | | |
| | <input checked="" type="checkbox"/> SAFETY & TECHNOLOGY | | |
| | <input type="checkbox"/> DISASTER RELIEF | | |

OTHER PURPOSE OF LOAN

FOR OFFICE USE ONLY

DATE RECEIVED _____ PIN NUMBER _____ PRESBYTERY NAME _____ SYNOD NAME _____

PASTOR/LEADERSHIP INFORMATION

Pastor Kari Jutila 1/1/2008
PASTOR/LEADERSHIP START DATE

(218) 525-1967 pastorkari@lakesidepreschurch.org
PHONE EMAIL

How many head pastors have served this church (exclude interims and associates)? 8

If current tenure less than 5 years, list previous call:

CHURCH, CITY, ST FROM (YYYY) TO (YYYY)
CHURCH, CITY, ST FROM (YYYY) TO (YYYY)

CONTACT FOR LOAN APPLICATION

David McMillan Member of Session & Chair, Admin. Comm.
NAME TITLE

(218) 590-4287 djmcmillan79@gmail.com
PHONE EMAIL

CLERK OF SESSION

Jill Christie
NAME

(218) 525-1967 office@lakesidepreschurch.org
PHONE EMAIL

APPLICANT'S ATTORNEY INFORMATION

David McMillan
APPLICANT'S ATTORNEY

2120 London Road #428 Duluth MN 55812
MAILING ADDRESS CITY STATE ZIP

(218) 590-4287 N/A djmcmillan79@gmail.com
PHONE FAX EMAIL

CHECK HERE IF YOU WOULD LIKE COPIES OF LEGAL DOCUMENTS SENT TO YOUR ATTORNEY FOR REVIEW.

BORROWER'S INSURANCE INFORMATION

Brotherhood Mutual - American Church Group Tim Roddy
AGENCY NAME AGENT'S NAME

(877) 493-4772 N/A troddy@americanchurchgroup.com
PHONE FAX EMAIL

SECTION B: COMMUNITY DEMOGRAPHIC INFORMATION

Factors expected to contribute to the growth or decline of your parish/community's population and economy.

Our church is located in eastern Duluth in a predominantly residential neighborhood. Duluth is the third largest city in MN and the Duluth-Superior MSA is the largest population center outside the Twin Cities. The economic health of Duluth and the surrounding region has historically been dependent on resource based industries, a growing service sector, transportation and tourism. While the iron mining and forest products sectors remain important drivers, the health care and higher education sectors are now the predominant employers in the area. Duluth remains a hub of regional, national and global transportation. Government services are also key as Duluth is home to local, county, state and federal offices and agencies as well as an Air Guard base. Energy is also a key employment sector and responsible for significant capital investment in the region. Four colleges and universities along with two health care systems call Duluth and Superior home. We are optimistic about growth!

CHURCH DEMOGRAPHICS - CHECK ALL THAT APPLY

- NEW CHURCH DEVELOPMENT <10 YEARS OLD
- RURAL/SMALL TOWN
- SUBURBAN
- FEDERATED/UNION CHURCH
- URBAN

PREDOMINANT ETHNICITY OF MEMBERS - STATISTICAL PURPOSES ONLY

- AFRICAN-AMERICAN
- MIDDLE EASTERN
- KOREAN-AMERICAN
- CAUCASIAN
- NATIVE AMERICAN
- OTHER ASIAN
- HISPANIC/LATINO
- MULTI-CULTURAL
- OTHER

SECTION C: CHURCH STATISTICAL INFORMATION

If your church participates in the General Assembly's Annual Statistical Report each year, the historical data for membership and average weekly attendance may be found on line at <https://church-trends.pcusa.org/church/search/>. From this page you can find your congregation. On subsequent page you have an option to view statistical information about your church if it has been submitted.

CHURCH MEMBERSHIP	AVERAGE WEEKLY ATTENDANCE	ESTIMATED MEMBERSHIP BY AGE CATEGORIES
2016 <input style="width: 50px;" type="text" value="287"/>	2016 <input style="width: 50px;" type="text" value="94"/>	% UNDER 45 <input style="width: 50px;" type="text" value="33"/>
2017 <input style="width: 50px;" type="text" value="285"/>	2017 <input style="width: 50px;" type="text" value="105"/>	% 45 TO 65 <input style="width: 50px;" type="text" value="37"/>
2018 <input style="width: 50px;" type="text" value="288"/>	2018 <input style="width: 50px;" type="text" value="110"/>	% OVER 65 <input style="width: 50px;" type="text" value="30"/>
2019 <input style="width: 50px;" type="text" value="287"/>	2019 <input style="width: 50px;" type="text" value="120"/>	
2020 <input style="width: 50px;" type="text" value="275"/>	2020 <input style="width: 50px;" type="text" value="200*"/>	
What year was the membership roll last purged? <input style="width: 50px;" type="text" value="2020"/>		

PLEDGE INFORMATION - OPERATING BUDGET

	2 YEARS AGO	LAST YEAR	CURRENT YEAR
Number of potential pledging units in church	<input style="width: 50px;" type="text" value="111"/>	<input style="width: 50px;" type="text" value="93"/>	<input style="width: 50px;" type="text" value="84"/>
Number that actually pledge	<input style="width: 50px;" type="text" value="82"/>	<input style="width: 50px;" type="text" value="72"/>	<input style="width: 50px;" type="text" value="63*"/>

SECTION D: SOURCES OF REPAYMENT AND OTHER DEBT

BUILDING FUND CAMPAIGN

1. Total pledged to capital campaign _____ over _____ years. Number of pledges
2. Pledges will be paid over what period? from to
3. Was your capital campaign directed by a professional campaign service? YES NO
4. If yes, what campaign service was used? _____
5. Are future building fund campaigns planned? YES NO
6. If yes, what are the dates? from to
7. In prior capital campaigns, what percent of money pledged was actually received?
8. If you have not had a campaign recently, please check this box.

PROJECTED NEW LOANS TO FUND THIS PROJECT (If exact information is not known, use anticipated information.)

LENDER	AMOUNT	LOAN RATE	TERM OF LOAN (years)	MONTHLY PAYMENT
<input type="text" value="PILP"/>	<input type="text" value="100,000"/>	<input type="text" value="3%"/>	<input type="text" value="10"/>	<input type="text" value="\$970"/>
TOTALS:				<input type="text" value="\$970"/>

CURRENT DEBT - LIST ALL CURRENT LOANS (Check any loans to be paid by new ILP loan.)

LENDER	ORIGINAL AMOUNT	CURRENT BALANCE	MONTHLY PAYMENT	MATURITY DATE	LOAN RATE
<input type="text" value="None"/>					
TOTALS:			<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

SECTION E: SITE LOAN DATA (fill in only if loan request is for land purchase)

SELECT ONE:

- NEW CHURCH DEVELOPEMENT SITE
 RELOCATION SITE (ATTACH EXPLANATION REGARDING DISPOSITION OF CURRENT PROPERTY)
 ADDITION TO CURRENT SITE

HOW WILL SITE BE USED?

REQUIRED ATTACHMENTS - SITE LOAN ONLY

1. SOIL TEST RESULTS FOR COMPACTION AND PERCOLATION
2. CONTRACT OF SALE (IF AVAILABLE)
3. REAL ESTATE CLOSING DOCUMENTS (IF PURCHASE HAS BEEN COMPLETED, FORWARD CLOSING STATEMENT, DEED)
4. PROOF OF ZONING COMPLIANCE
5. APPRAISAL WILL BE REQUIRED BEFORE LOAN CAN BE CLOSED

SECTION F: FINANCIAL PLAN - PROJECT COSTS & SOURCES

FOR PURCHASE OF A SITE OR EXISTING BUILDING

- 1. PURCHASE PRICE OF BUILDING/SITE 1. _____ \$0
- a. AMOUNT OF SQUARE FOOTAGE IN BUILDING a. _____
- b. NUMBER OF ACRES OF SQUARE FOOTAGE OF LAND b. _____
- c. APPRAISED VALUE - ATTACH COPY OF APPRAISAL c. _____

FOR CONSTRUCTION, RENOVATIONS OR REPAIRS

- SIZE - IN SQ. FT. _____ COST PER SQ. FT. _____
- 1. CONSTRUCTION CONTRACT PRICE ESTIMATED FIRM 1. _____ \$144,000
 - 2. ARCHITECT'S FEES 2. _____
 - 3. FURNISHINGS, EQUIPMENT, PARKING, PAYMENT & PERFORMANCE BONDS, INSURANCE - 10% OF CONTRACT PRICE SUGGESTED 3. _____
 - 4. CONTINGENCIES - 15% OF CONSTRUCTION CONTRACT PRICE SUGGESTED 4. _____
 - 5. OTHER ANTICIPATED EXPENSES anticipated increase in construction prices 5. _____ \$6,000
 - 6. TOTAL PROJECT COST 6. _____ \$150,000

RESOURCES TO FUND PROJECT

CHURCH'S CASH & PLEDGE RESOURCES

- 1. CASH ON HAND FROM CAPITAL CAMPAIGN PLEDGES 1. _____ \$5,000
- 2. CASH ON HAND FROM OTHER SOURCES - SPECIFY SOURCE Capital Fund 2. _____ \$47,000
- 3. CASH ALREADY EXPENDED ON THE PROJECT
- a. FROM CAPITAL CAMPAIGN PROCEEDS 3a. _____ \$0
- b. FROM OTHER RESOURCES 3b. _____ \$0
- 4. ADDITIONAL FUNDS FROM CAPITAL CAMPAIGN TO BE SPENT DURING CONSTRUCTION 4. _____ \$0

GIFTS & GRANTS

- 5. PRESBYTERY GIFTS & GRANTS 5. _____ \$0
- 6. SYNOD GIFTS & GRANTS 6. _____ \$0
- 7. OTHER GIFTS & GRANTS _____ 7. _____ \$0

OTHER LOANS TO FUND THIS PROJECT

- 8. PRESBYTERY LOAN _____ YEARS @ _____ INTEREST _____ MO/PMT 8. _____ \$0
- 9. SYNOD LOAN _____ 9. _____ \$0
- 10. BANK (COMMERCIAL) MORTGAGE _____ 10. _____ \$0
- 11. OTHER LOANS _____ 11. _____ \$0
- SPECIFY LENDER _____
- 12. TOTAL RESOURCES - TOTAL ITEMS 1 - 11 12. _____ \$52
- 13. LOAN AMOUNT NEEDED (TOTAL PROJECT - TOTAL RESOURCES) 13. _____ \$100,000
- 14. GRAND TOTAL RESOURCES (LINE 12 PLUS 13 - SHOULD EQUAL PROJECT COST LINE 6) 14. _____ \$100,052

SECTION G: AUTHORIZATION

CHURCH/BORROWER

We, the undersigned, hereby certify that all statements made herein, are applicable to the organization for which we are signing and are true and correct to the best of our knowledge and belief. We further certify that this application is submitted with the full knowledge and approval of the official governing board we represent.

We also grant permission to the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc., if the loan is funded in whole or in part by investor funds, to use our name and loan information in the production of the Presbyterian Investment & Loan Program's informational brochures and promotions, including but not limited to, interviews with the press and list sent to the investors or potential investors.

We also agree to periodically place in the congregation (or governing body) newsletters, bulletin inserts and other communication vehicles material promoting the Presbyterian Investment & Loan Program that will include information provided by or preapproved by the Program.

IT IS REQUIRED THAT A COPY OF THIS LOAN APPLICATION BE FORWARDED TO YOUR PRESBYTERY AND SYNOD, WHEN APPLICABLE.

AUTHORIZED SIGNATURE

*see attached page with signatures

TYPED OR PRINTED NAME AND TITLE

DATE

CLERK OF SESSION OR AUTHORIZED SIGNATURE

*see attached page with signatures

TYPED OR PRINTED NAME AND TITLE

DATE

PRESBYTERY

RE: LOAN APPLICATION FOR _____

ON _____ (DATE) THE PRESBYTERY OF _____ IN ACCORDANCE WITH THE POLICIES OF THE INVESTMENT & LOAN PROGRAM AND ITS OWN PROCEDURES:

* REVIEWED AND APPROVED THIS PROJECT AS TO ITS MISSION FOR THE BORROWER AND/OR THE GOVERNING BODY

* REVIEWED AND APPROVED THE FINANCIAL PLAN AS FISCALLY RESPONSIBLE:

* AGREED TO MONITOR THE APPLICATION OF THE EQUAL EMPLOYMENT OPPORTUNITY POLICY OF THE GENERAL ASSEMBLY AS APPROPRIATE TO THIS PROJECT:

* HAS/WILL AGREE (D) AT ITS LAST/NEXT SCHEDULED MEETING HELD ON/TO BE HELD ON _____ (DATE) TO GUARANTEE/CO-SIGN THE LOAN (S) AND TO ASSUME REPAYMENT RESPONSIBILITY IN THE EVENT OF LOAN DEFAULT.

PRESBYTERY EXECUTIVE/STATED CLERK

DATE

SYNOD - Not required in Synods of Mid-Atlantic, Northeast, South Atlantic, or Trinity

ON _____ (DATE) THE SYNOD OF _____ ENDORSED THIS APPLICATION FOR FUNDING AS REQUESTED (SYNOD ENDORSEMENT IS REQUIRED FOR ALL LOAN APPLICATIONS INCLUDING LOANS TO PRESBYTERIES, EXCEPT AS STATED ABOVE).

SYNOD EXECUTIVE/STATED CLERK

DATE

APPLICATION SUBMISSION CHECKLIST

BORROWER WILL PROVIDE THESE ITEMS WITH THE COMPLETED APPLICATION:

- Financial statements for last 3 years (balance sheet, income & expenses) signed by treasurer/bookkeeper
- List of cash or liquid assets not disclosed in financial statements
- Most recent financial statement for current year
- Current year annual budget
- Proposed budget for next year, if available
- Proposed repayment plan
- Brief description of project scope & objectives
 1. How will project help the borrower accomplish its mission goals & objectives?
 2. Does the project include plans to improve accessibility (physical, auditory, visual)?
 3. Does the project include plans to improve the energy efficiency of your facilities?
- If available at time of submission (required to close loan)
 - Copy of bylaws plus any amendments certified by borrower's secretary
 - Copy of articles of incorporation plus any amendments certified by borrower's secretary
- If construction loan, include architect's drawings showing floor plan and elevations (file size)
- If construction loan, a copy of construction contract when available. Signed contract required before closing.

AFTER LOAN APPROVAL - REQUIREMENTS FOR CLOSING THE LOAN

PRESBYTERIAN INVESTMENT & LOAN (ILP) WILL PREPARE THESE ITEMS (AFTER LOAN APPROVAL):

- Commitment letter - provided for your signature after loan approval
- All title work & title commitment
- Mortgage/deed of trust
- Promissory note
- Presbytery guaranty agreement - this document will be sent to your presbytery
- Presbytery approval resolutions - this form will be sent to your presbytery by ILP
- Affidavit & certificate of incumbency

BORROWER WILL PROVIDE TO ILP (AFTER LOAN APPROVAL):

- If not already submitted
 - Copy of bylaws plus any amendments certified by borrower's secretary
 - Copy of articles of incorporation plus any amendments certified by borrower's secretary
- Certified congregation & corporation resolutions to approve borrowing
- Evidence that lender has been added as additional insured, loss payee & mortgagee to insurance policy
- Appraisal (required for purchase contracts) or appraisal checklist
- Evidence of zoning compliance
- State certificate of good standing/certificate of existences
- Environmental assessment checklist or phase 1 environmental audit

IF THIS IS A CONSTRUCTION LOAN, THE FOLLOWING ADDITIONAL ITEMS ARE REQUIRED:

- Payment & performance bonds – ordinarily for projects over \$1 million
- Property survey – if required to lift exceptions to title insurance
- Copy of signed construction contract – must have prior to closing
- Builder's risk insurance

Clare Lewis
Vice President, Sales & Marketing
800.903.7457 ext 5865
clare.lewis@pcusa.org

Judy Walton
Director of Credit Operations
800.903.7457 ext 5231
judy.walton@pcusa.org

Jason Peterson
Director of Loan Operations
800.903.7457 ext 5890
jason.peterson@pcusa.org

SUBMIT SIGNED APPLICATION ALONG WITH DOCUMENTS FROM APPLICATION SUBMISSION CHECKLIST:

PRESBYTERIAN INVESTMENT & LOAN PROGRAM
100 WITHERSPOON ST
LOUISVILLE KY 40202-1396

Report of the Treasurer 2020

Lakeside Presbyterian Church
12/1/2020 through 12/31/2020

Monthly Financial Report

INCOME		Monthly Actual	Year to Date through 12/31/2020			2020 Budget	2019 YTD Actual
			Actual	Budget	(Deficit)		
	Prev Year Balance		\$5,635	\$5,635	0	\$5,635	---
	Donations	\$90	\$9,273	\$7,000	2,273	\$7,000	\$160
	Fund Raising	\$1,008	\$2,245	\$8,000	(5,755)	\$8,000	\$0
	Mission Giving	\$1,290	\$16,861	\$16,500	361	\$16,500	\$0
	Non Pledge Giving	\$1,973	\$20,058	\$30,000	(9,942)	\$30,000	\$960
	Per Capita Receipt	\$260	\$5,169	\$5,800	(631)	\$5,800	\$2,397
	Plate Offering	\$0	\$649	\$4,000	(3,351)	\$4,000	\$210
	Pledges-current year	\$16,429	\$180,036	\$186,000	(5,964)	\$186,000	\$13,000
	Pledges-prior year	\$0	\$1,090	\$2,000	(910)	\$2,000	\$1,067
	Sunday School	\$0	\$0	\$0	0	\$0	---
	Total Income	\$21,050	\$241,016	\$264,935	(23,919)	\$264,935	\$17,794

EXPENSES		Monthly Actual	Year to Date through 12/31/2020			2020 Budget	2019 YTD Actual
			Actual	Budget	(Deficit)		
General	Advertising	\$0	\$455	\$1,000	545	\$1,000	\$127
	Christian Educ.	\$404	\$2,981	\$5,500	2,519	\$5,500	\$150
	Insurance	\$1,015	\$11,057	\$11,200	143	\$11,200	\$813
	Kitchen Supplies	\$0	\$0	\$600	600	\$600	---
	Maintenance	\$371	\$8,996	\$13,300	4,304	\$13,300	\$261
	Membership & Past. Care	\$0	\$0	\$200	200	\$200	---
	Office	\$352	\$6,499	\$8,000	1,501	\$8,000	\$112
	Per Capita Appor	\$0	\$9,216	\$9,216	0	\$9,216	---
	Postage	\$240	\$1,300	\$1,200	(100)	\$1,200	\$350
	Administrative/Session	\$32	\$713	\$900	187	\$900	\$0
	Technical Supplies	\$135	\$250	\$250	0	\$250	---
	Worship	\$0	\$942	\$2,800	1,858	\$2,800	\$17
	TOTAL General Expenses	\$2,549	\$42,409	\$54,166	11,757	\$54,166	\$1,829
Mission	Local Mission	\$2,005	\$8,276	\$8,100	(176)	\$8,100	---
	Unified Mission	\$0	\$8,400	\$8,400	0	\$8,400	---
	TOTAL Mission Causes	\$2,005	\$16,676	\$16,500	(176)	\$16,500	\$0
Personnel	Bell Choir Director	\$126	\$1,133	\$1,133	0	\$1,133	\$123
	Christ. Edu. Dir-Salary	\$1,327	\$15,927	\$15,927	0	\$15,927	\$1,301
	Choir Dir-Salary	\$504	\$4,532	\$4,532	0	\$4,532	\$494
	Coord Visit. Inv.-Salary	\$796	\$9,553	\$9,553	0	\$9,553	\$781
	Custodian-Salary	\$0	\$5,191	\$25,862	20,671	\$25,862	\$2,113
	Minister-Pension&Insurance	\$1,703	\$15,308	\$19,291	3,983	\$19,291	\$1,637
	Minister-PR Taxes	\$215	\$2,574	\$2,574	0	\$2,574	\$0
	Minister-Professional Exp	\$90	\$909	\$2,899	1,990	\$2,899	\$0
	Minister-Housing	\$1,387	\$16,643	\$16,643	0	\$16,643	\$1,339
	Minister-Salary	\$3,206	\$38,475	\$38,475	0	\$38,475	\$3,165
	Organist-Salary	\$685	\$8,220	\$8,213	(7)	\$8,213	\$620
	Secretary-Salary	\$1,367	\$16,405	\$16,405	0	\$16,405	\$1,340
	Social Security Taxes	\$368	\$4,514	\$6,093	1,579	\$6,093	\$518
	Staff Retirement	\$154	\$2,056	\$3,097	1,041	\$3,097	\$204
	TOTAL Personnel	\$11,928	\$141,440	\$170,697	29,257	\$170,698	\$13,635
Utilities	Assessments	\$0	\$1,185	\$1,185	0	\$1,185	---
	Electricity	\$304	\$4,615	\$7,195	2,580	\$7,195	\$779
	Garbage-Recycling	\$150	\$1,912	\$1,800	(112)	\$1,800	\$158
	Natural Gas	\$1,000	\$8,800	\$8,400	(400)	\$8,400	\$693
	Telephone	\$207	\$2,331	\$2,339	8	\$2,339	\$269
	Water	\$130	\$1,847	\$2,500	653	\$2,500	\$180
	TOTAL Utilities	\$1,791	\$20,690	\$23,419	2,729	\$23,419	\$2,073
	Total Expenses	\$18,273	\$221,215	\$264,782	43,567	\$264,783	\$17,537

Surplus/Deficit	\$2,777	\$19,801	\$153	(19,648)	\$152	\$256
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Lakeside Presbyterian Church
12/1/2020 through 12/31/2020

Monthly Summary Report

	Monthly	Year to Date through 12/31/2020			2020	2019 YTD
	Actual	Actual	Budget	Surplus (Deficit)	Budget	Actual
Total Income	\$21,050	\$241,016	\$264,935	(23,919)	\$264,935	\$17,794
TOTAL General Expenses	\$2,549	\$42,409	\$54,166	11,757	\$54,166	\$1,829
TOTAL Mission Causes	\$2,005	\$16,676	\$16,500	(176)	\$16,500	\$0
TOTAL Personnel	\$11,928	\$141,440	\$170,697	29,257	\$170,698	\$13,635
TOTAL Utilities	\$1,791	\$20,690	\$23,419	2,729	\$23,419	\$2,073
Total Expenses	\$18,273	\$221,215	\$264,782	43,567	\$264,783	\$17,537
Commitments: Underpaid (Overpaid)						
Per Capita Appor		\$	-			
Local Mission		\$	(176)			
Unified Mission		\$	-			
Surplus/Deficit including Commitmen		\$19,977				

Randy Jackson
Treasurer

DESIGNATED FUNDS REPORT - BALANCE SHEET 2020

For Period Ending: 12/31/20

	Balance 12/31/2019	Receipts	Expenditures	Balance 12/31/2020
ACCOUNT NAMES				
General Fund	\$5,253.13	\$235,380.16	\$221,213.69	\$19,419.60
Prepaid Expenses	-\$933.23	\$14,660.46	\$14,742.23	-\$1,015.00
Prepaid Scrip	-\$4,709.23	\$18,735.79	\$18,495.38	-\$4,468.82
DESIGNATED FUNDS				
Capital Fund	\$16,316.76	\$35,337.00	\$23,615.00	\$28,038.76
CE Resources	\$4,960.12	\$4,811.51	\$6,998.05	\$2,773.58
Christmas Offering		\$599.00	\$599.00	
Church Family Retreat	\$3,679.37	\$500.00		\$4,179.37
Con Brio	\$210.85			\$210.85
Continuing Education	\$1,975.05			\$1,975.05
Deacons	\$892.29	\$706.00	\$750.00	\$848.29
Endowment Funds		\$44,983.00	\$44,983.00	
Emergency Food Shelf		\$150.00	\$150.00	
Flower Fund	\$328.85	\$1,033.00	\$680.29	\$681.56
Giving Forest	\$10,025.35	\$22,283.63	\$23,358.04	\$8,950.94
M&M Committee				
Memorial Fund	\$2,874.50	\$3,876.00	\$4,801.00	\$1,949.50
Memorial Gardens	\$782.47			\$782.47
Mission Trip	\$268.26			\$268.26
Music Fund	\$1,164.54		\$329.95	\$834.59
One Great Hour of Sharing		\$871.35	\$871.35	
Mission Specified Projects	\$150.00	\$855.00	\$855.00	\$150.00
Parish Nurse Fund	\$145.05			\$145.05
Pastor's Discretionary Fund	\$7,653.95	\$7,106.44	\$4,404.79	\$10,355.60
Peacemaking Offering		\$780.00	\$780.00	
Pentecost		\$560.00	\$560.00	
Pre-Paid Per Capita	\$1,266.00	\$1,376.00	\$1,266.00	\$1,376.00
Pre-Paid Pledges	\$20,715.00	\$18,925.00	\$27,515.00	\$12,125.00
Souper Bowl		\$288.00	\$288.00	
Tape Ministry	\$483.00			\$483.00
Tub Toters	\$9.87		\$9.87	
Youth	\$2,131.97	\$1,982.23	\$583.45	\$3,530.75
TOTALS	\$75,643.92	\$415,799.57	\$397,849.09	\$93,594.40

Ronald J. Jackson
Treasurer

Lakeside Presbyterian Church
End of Year 2020
The Endowment Fund - Principle

	Balance	Additions	5% Reinvest	Balance
	1/1/2020			12/31/2020
LPC Endowment	\$297,181.18		\$891.00	\$298,072.18
Student Endowment	\$90,760.40		\$272.00	\$91,032.40
Benevolence Endowment	\$128,835.14		\$387.00	\$129,222.14
Capital Endowment	\$724.36		\$2.00	\$726.36
Mission Inside Endowment	\$2,724.61		\$8.00	\$2,732.61
Children & Youth Endowment	\$32,772.00		\$98.00	\$32,870.00
Betty Clarke Unrestricted Endowment	\$22,098.00	\$1,951.50	\$66.00	\$24,115.50
Total	\$575,095.69	\$1,951.50	\$1,724.00	\$578,771.19
Market Value	\$688,692.00			\$745,215.00

F. Waits Scholarship Fund - Principal

	Balance	Additions	5% Reinvest	Balance
	1/1/2020			12/31/2020
	\$85,484.85		\$366.00	\$85,850.85
Market Value	\$146,458.00			\$158,700.00

Endowment Earnings

	Balance	Received	Adjustment	Expenditures	Balance
	1/1/2020				12/31/2020
Capital Needs		\$4,497.00		\$4,497.00	
Outside Mission		\$11,791.00		\$11,791.00	
Inside Mission (LPC)	\$4,205.46	\$3,721.00	\$150.00	\$1,185.75	\$6,890.71
Student Scholarship	\$24,008.10	\$6,951.00	-\$10,000.00	\$6,250.00	\$14,709.10
Children & Youth		\$1,868.00		\$1,868.00	
***Unrestricted	\$1,665.75	\$3,932.00	\$12,044.67		\$17,642.42 ***
F. Waits Scholarship	\$12,763.61	\$6,956.00		\$2,505.00	\$17,214.61
Total	\$42,642.92	\$39,716.00	\$2,194.67	\$28,096.75	\$56,456.84

*** The Session of Lakeside Presbyterian Church, voted to put the \$17,642.42 in the 2021 Budget to cover the cost of finally hiring a new custodian.

Randy Jackson
Treasurer

Lakeside Presbyterian Church – Income Statement – 2020

Year End Income Statement – 1/1/20 through 12/31/20

Category	1/1/2020 Actual	Budget	12/31/2020 Difference
INCOME	235,380	259,300	-23,920
Donations	9,273	7,000	2,273
Fund Raising	2,245	8,000	-5,755
I & I Income	0	0	0
Mission Gifts	16,861	16,500	361
Non Pledge Giving	20,058	30,000	-9,942
Per Capita Receipt	5,169	5,800	-631
Plate Offering	649	4,000	-3,351
Pledges-cur yr	180,036	186,000	-5,964
Pledges-prior yr	1,090	2,000	-910
Sunday School	0	0	0
EXPENSES	221,214	264,783	43,569
General Expenses	42,409	54,166	11,757
Administrative Committee	0	0	0
Advertising	455	1,000	545
Christian Educ	2,981	5,500	2,519
Insurance	11,057	11,200	143
Kitchen Supplies	0	600	600
Maintenance	8,996	13,300	4,304
Membership&PC	0	200	200
Office	6,499	8,000	1,501
Per Capita Appor	9,216	9,216	0
Postage	1,300	1,200	-100
Session-Council	713	900	187
Technical Supplies	250	250	-0
Worship	942	2,800	1,858
Mission Causes	16,676	16,500	-176
Local Mission	8,276	8,100	-176
Unif Mission	8,400	8,400	0
Personnel	141,439	170,698	29,259
Bell Choir Director	1,133	1,133	0
CE Dir-Sal	15,927	15,927	0
Choir Dir-Sal	4,532	4,532	-0
Coord Visit-Inv	9,553	9,553	0
Custodian-Sal	5,191	25,862	20,671

Lakeside Presbyterian Church – Income Statement - 2020

Year End Income Statement – 1/1/20 through 12/31/20

Category	1/1/2020 Actual	Budget	12/31/2020 Difference
Minist-Pen&Ins	15,308	19,291	3,983
Minist-PR Taxes	2,574	2,574	-0
Minist-Prof Exp	909	2,899	1,990
Minister-House	16,643	16,643	0
Minister-Sal	38,475	38,475	0
Organist-Sal	8,220	8,213	-7
Pastor Search	0	0	0
Secretary-Sal	16,405	16,405	-0
SS Taxes	4,514	6,093	1,580
Staff Retirement	2,056	3,097	1,041
Youth Choir Director	0	0	0
Utilities	20,690	23,419	2,729
Assesmemts	1,185	1,185	0
Electricity	4,615	7,195	2,580
Garbage-Recycling	1,912	1,800	-112
Natural Gas	8,800	8,400	-400
Telephone	2,331	2,339	8
Water	1,847	2,500	653
Net Difference:	14,166	-5,483	19,649

Ronald J. Jachoven
Treasurer

Presbytery of Northern Waters
First Presbyterian Church, Duluth
Motion

The specially appointed committee of the First Presbyterian Church, appointed and instructed by the Administrative Commission of the Presbytery of Northern Waters, and made up of made of Paul Johnson, Larry Medalin moves the following:

That First Presbyterian Church, Duluth, MN, sell the property referred to as the “parking lots” and described in the attached property description, to Essentia Health Systems for the amount of \$400,000, with all proceeds from the sale to be deposited in the congregation’s LPL account.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made as of _____, 2021 (“Effective Date”), between the First Presbyterian Church of Duluth, Minnesota, a Minnesota corporation, appointed and instructed by the Administrative Commission of The Presbytery of Northern Waters (collectively, the “Sellers”) and SMDC Medical Center, a Minnesota nonprofit corporation (“Buyer”).

In consideration of this Agreement, Sellers and Buyer agree as follows:

1. Purchase and Sale of Property. Sellers hereby agree to sell to Buyer, and Buyer hereby agrees to purchase from Sellers, the following property (collectively, “Property”):

- 1.1 Real Property. The real property located in Duluth, St. Louis County, Minnesota, further described on the attached Exhibit A (“Land”) together with (1) all buildings and improvements constructed or located on the Land (“Buildings”) and (2) all easements and rights benefiting or appurtenant to the Land (collectively the “Real Property”).
- 1.2 Warranties. Sellers’ interests in all warranties and guaranties given to, assigned to or benefitting Sellers or the Real Property regarding the acquisition, construction, design, use, operation, management or maintenance of the Real Property (“Warranties”).
- 1.3 Plans. All originals and copies of the as-built blueprints, plans and specifications regarding the Real Property, if any (“Plans”).
- 1.4 Leases. All leases or rental agreements, if any, with respect to the Real Property (the “Leases”) which Buyer elects to acquire.

2. Purchase Price and Manner of Payment. The purchase price (the “Purchase Price”) for the Property shall be Four Hundred Thousand and No/100 Dollars (\$400,000.00). Within five (5) business days of acceptance of this Agreement as evidenced by execution and delivery of this Agreement by Sellers to Buyer, Buyer will make a deposit with First American Title Company (the “Title Company”) in the amount of Fifteen Thousand and No/100 Dollars (\$15,000.00) (the “Deposit”). Except as otherwise provided in this Agreement, the Title Company shall hold the Deposit for the benefit of Buyer and Buyer shall be entitled to all interest earned on such amounts from the date of the deposit until the Closing (defined herein). At Closing, Buyer shall receive a credit applicable to the Purchase Price in the amount of the Deposit. The Purchase Price, less the Deposit, shall be payable in cash or by wire transfer of U.S. Federal Funds on the Closing Date.

3. Sellers’ Obligations. From and after the date of execution of this Agreement:

- 3.1 Sellers shall allow Buyer, and Buyer’s agents, access to the Real Property without charge and at all reasonable times for the purpose of conducting all inspections, environmental, soil or engineering studies or tests that Buyer deems advisable. Sellers shall make available to Buyer and Buyer’s Agents without charge all plans,

specifications, records, inventories, permits and correspondence in Sellers' possession relating to Hazardous Substances affecting the Real Property. Buyer shall pay all costs and expenses of such inspections, investigation and testing and shall hold Sellers and the Real Property harmless from all costs and liabilities relating to the Buyer's activities.

- 3.2 If Buyer or Buyer's lender requires a survey of the Real Property, Buyer shall be responsible for securing such survey (the "Survey") and paying for all related expenses.
- 3.3 On or before ten (10) days from the Effective Date, Sellers shall deliver to Buyer true and correct copies of all Leases in effect at the Real Property, if any, Warranties and Plans for Buyer's review and analysis, and all environmental, engineering and soil, and zoning reports, financial analysis, market studies, conceptual plans, appraisals, title reports and policies, title abstracts, surveys, maps, material documents, tax bills and statements and other instruments relating to the Property in its possession or control.
- 3.4 Sellers shall use their best efforts to provide to Buyer, prior to expiration of the Due Diligence Period (as defined below), tenant estoppel letters in form reasonably acceptable to Sellers, Buyer and the applicable tenant (collectively, the "Tenant Estoppels") from tenants making up 100% of the leased area of the Real Property. Sellers and Buyer agree and acknowledge that delivery of the Tenant Estoppels from tenants making up 100% of the leased area of the Real Property shall be a condition precedent to Closing.

If Sellers shall fail to comply with its obligations under this paragraph 3, then in addition to all other remedies available to it, Buyer shall have the right to give notice to Sellers setting forth the alleged failure to comply, and unless Sellers shall cure such failure within ten (10) days after such notice, Buyer shall have the right to terminate this Agreement and receive immediate return of the Deposit and the parties shall have no further rights or obligations with respect to this Agreement.

4. Due Diligence Period. Buyer shall have until 5:00 p.m. Central Time on the date which is ninety (90) days following the Effective Date, (the "Due Diligence Period"), to determine, in Buyer's sole and absolute discretion, whether it is feasible to acquire the Property. Buyer may terminate this Agreement for any or no reason prior to expiration of the Due Diligence Period and obtain a refund of the Deposit.

- 4.1 During the Due Diligence Period, Buyer, its employees and agents (collectively, "Buyer's Representatives") shall have the right to enter upon the Property, at reasonable times during ordinary business hours, to make such inspections, surveys and tests as may be necessary in Buyer's discretion, including, without limitation, soils tests, environmental studies, toxic waste analysis, geological studies, engineering studies, archaeological studies and land use or related studies. Buyer and Buyer's Representatives shall use care and consideration in connection with any of its inspections or tests and Sellers shall have the right to be present during any inspection of the Property by Buyer or Buyer's Representatives. Buyer shall

restore the Property to its original condition after any and all tests or inspections. Buyer shall have the right to perform invasive testing of the Property or any portion thereof, including, without limitation, any boring of the Property in connection with an environmental audit or otherwise. Buyer shall indemnify, protect, defend (with counsel chosen by Buyer) and hold Sellers free and harmless from and against any and all costs, losses, liabilities, damages, lawsuits, judgments, actions, proceedings, penalties, demands, attorneys' fees, liens (including, without limitation, mechanic's liens), or expenses of any kind or nature whatsoever (collectively, "Claims"), arising out of or resulting from any entry or activities upon the Property by Buyer or Buyer's Representatives.

- 4.2 Prior to the expiration of the Due Diligence Period, Buyer may deliver to Sellers either (1) a notice confirming that it is satisfied with the Property, with such conditions as Buyer may need for acceptance of its due diligence of the Property, (an "Acceptance Notice"), or (2) a notice terminating this Agreement if Buyer determines that it is dissatisfied with any aspects of the Property or the feasibility of its ownership of the Property or with any of the Documents and Materials or for any or no reason (a "Termination Notice"). If Buyer fails to deliver either the Acceptance Notice or Termination Notice on or before the expiration of the Due Diligence Period, then this Agreement shall automatically terminate, the parties shall have no further liabilities or obligations to each other except under those provisions which expressly survive termination of this Agreement and Title Company shall return the Deposit (with all interest earned thereon) to Buyer.

5. Title and Survey. Within five (5) days of the Effective Date, Buyer shall order from Title Company a current title insurance commitment (the "Commitment") for an ALTA Owner's Form Policy of Title Insurance ("Title Policy") together with copies of all underlying documents relating to the Schedule B exceptions (the "Underlying Documents"; collectively, with the Commitment, the "Title Commitment"). Buyer shall have ten (10) days following the date of receipt of both the Title Commitment and the Survey, whichever is later (the "Title Review Period") to give Sellers and Title Company written notice ("Buyer's Title Notice") of Buyer's disapproval or conditional approval of any matters shown in the Title Commitment, the Underlying Documents or the Survey (collectively, the "Title Documents") except for the following "Standard Objections" which Buyer shall not be required to object to, and it shall be presumed that Sellers shall cause to be satisfied or release at or before Closing: (a) standard exceptions which can be removed by the Survey or an affidavit of Sellers, (b) mortgages and other secured liens, and (c) real property taxes and special assessments to be prorated or paid at Closing in accordance with this Agreement. Sellers shall respond to Buyer's Title Notice within five (5) business days of Sellers' receipt thereof indicating whether Sellers elect to cure to Buyer's satisfaction the disapproved or conditionally approved title matters identified in Buyer's Title Notice ("Sellers' Title Notice"). If Sellers do not elect to cure any disapproved or conditionally approved title matters, or if Buyer disapproves Sellers' Title Notice, or if Sellers fail to timely deliver Sellers' Title Notice, then Buyer shall have the right, upon delivery to Sellers and Title Company of a written notice, to either (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved, or (2) terminate this Agreement, in which event the Deposit shall be returned to Buyer. If Buyer fails to give Buyer's Title Notice on or before the end of the Title Review Period, then Buyer shall be deemed to have approved the condition of title except for the

Standard Objections, which Sellers shall satisfy or release at or before Closing. Any title matters deemed approved shall be referred to herein as "Permitted Encumbrances." If prior to Closing, a new matter affecting title is disclosed to Buyer, it shall have the same rights thereafter as set forth in this paragraph. Sellers shall discharge any liens at Closing.

6. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on the earlier of (i) the date mutually selected by the parties; and (ii) no later than June 30, 2021 (the "Closing Date"). The Closing shall take place at the office of Title in Duluth, Minnesota.

- 6.1 Sellers' Closing Documents. On the Closing Date, Sellers shall execute and/or deliver to Buyer the following (collectively, "Sellers' Closing Documents"), all in form and content reasonably satisfactory to Buyer:
 - 6.1.1 Deed. A Warranty Deed conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances hereafter defined.
 - 6.1.2 Assignment of Leases and Rents. An assignment of leases and rents providing for the assignment by Sellers and the assumption by Buyer of all right, title and interest in and to the Leases and all amounts payable thereunder, and further providing for indemnification by Sellers of Buyer for all matters arising under such Leases prior to the Closing Date, and for indemnification by Buyer of Sellers for all matters arising under such Leases on and after the Closing Date (the "Assignment of Leases").
 - 6.1.3 Assignment of Warranties. An Assignment of Warranties conveying all Warranties to Buyer, free and clear of all encumbrances, together with the consent of all parties having a right to consent to such Assignment.
 - 6.1.4 Tenant Estoppels. Original Tenant Estoppels executed by tenants making up 100% of the leased area of the Real Property.
 - 6.1.5 Seller's Affidavit. An Affidavit of Title by Sellers indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Sellers or the Real Property; that there has been no skill, labor or material furnished to the Real Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Real Property, together with whatever standard owner's affidavit and/or indemnity (ALTA Form) which may be required by Title to issue an Owner's Policy of Title Insurance with the standard exceptions waived.
 - 6.1.6 Certificate(s) of Occupancy. One or more unconditional irrevocable certificates of occupancy issued by the appropriate governmental body authorizing the use of the Real Property for the purposes now used.
 - 6.1.7 Original Documents. Original copies of the Warranties and the Plans.

- 6.1.8 FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.
- 6.1.9 Certificate of Real Estate Value. Information needed to allow Title to complete and file an electronic Certificate of Real Estate Value on behalf of Sellers and Buyer.
- 6.1.10 IRS Form. A Designation Agreement designating the “reporting person” for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.
- 6.1.11 Other Documents. All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances.
- 6.2 Buyer’s Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Sellers the following (collectively, “Buyer’s Closing Documents”):
 - 6.2.1 Purchase Price. The Purchase Price, less the amount of the Deposit, by wire transfer of U.S. Federal Funds.
 - 6.2.2 Title Policy. The Title Policy, or a suitably marked up Commitment for Title Insurance initialed by Title, in the form required by this Agreement.
 - 6.2.3 Assignments. Buyer’s original counterpart to the Assignment of Leases.
 - 6.2.4 Title Documents. Such affidavits of Buyer or other documents as may be reasonably required by Title in order to record the Sellers’ Closing Documents and issue the Title Insurance Policy.
 - 6.2.5 Certificate of Real Estate Value. Information needed to allow Title to complete and file an electronic Certificate of Real Estate Value on behalf of Sellers and Buyer.
- 6.3 Parking. On or before the Closing Date, Buyer and Sellers will enter into the following (collectively, “Parking Agreements”):
 - 6.3.1 Use Agreement. A use agreement for the satisfactory use of parking spaces by the First Presbyterian Church of Duluth for weekend services in a completed parking ramp to be constructed on the Property. [Buyer agrees to make best reasonable efforts to provide a handicap accessible egress by covered passageway connecting the parking ramp to be constructed on the Property and the First Presbyterian Church of Duluth building, located at 300 E 2nd St.]
 - 6.3.2 Temporary Use Agreement. A temporary use agreement for the satisfactory use of parking spaces by the First Presbyterian Church of Duluth for

weekend services in a parking ramp owned and operated by the City of Duluth, located at 300-398 E 1st St, Duluth, MN, during the construction of a parking ramp on the Property.

7. Prorations. Sellers and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- 7.1 Title Insurance and Closing Fee. Buyer will pay all costs of the Title Policy and Survey. Buyer will pay the fees charged by the Title Company for any escrow required regarding Buyer's Objections. Buyer will pay all additional premiums required for the issuance of any mortgagee's Title Policy required by Buyer. Buyer will pay any reasonable and customary closing fee or charge imposed by any closing agent designated by the Title Company.
- 7.2 Deed Tax. Sellers shall pay all state deed tax regarding the Warranty Deed to be delivered by Sellers under this Agreement. Buyer shall pay all mortgage registry tax regarding the recording of any mortgage or mortgages securing the Buyer's loan.
- 7.3 Real Estate Taxes and Special Assessments. General real estate taxes and installments of special assessments due and payable in all calendar years prior to the calendar year in which the Closing occurs shall be paid by Sellers. General real estate taxes and installments of special assessments due and payable in the calendar year following the year in which the Closing occurs shall be paid by Buyer. General real estate taxes and installments of special assessments payable in the calendar year of Closing shall be prorated and paid by Sellers and Buyer as of the Closing Date based upon a calendar year.
- 7.4 Rents and Security Deposits. All tenant security deposits shall be assumed by Buyer with credit therefor against sums due at Closing. Current rents shall be prorated and adjusted as of the date of Closing based upon the actual number of days in the month of Closing, with Buyer being credited for rents on the day of Closing and thereafter and all prepaid rents allocable to the Closing Date and the period thereafter, and Sellers shall deliver all checks for prepaid rents allocable to the period on or after the day of Closing which have been received by Sellers and which have not been deposited. Buyer shall not be entitled to any amounts, actual or claimed, for unpaid rents prior to the day of Closing.
- 7.5 Recording Costs. Sellers will pay the cost of recording all documents necessary to place record title in the condition warranted by Sellers and requested by Buyer in this Agreement. Buyer will pay the recording fee for recording fee for the Deed.
- 7.6 Attorneys' Fees. Each of the parties will pay its own attorneys' fees, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorneys' fees and court costs incurred by the nondefaulting party to enforce its rights regarding such default.

8. Operation Prior to Closing. During the period from the date of Sellers' acceptance of this Agreement to the Closing Date (the "Executory Period"), Sellers shall operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. However, Sellers shall execute no contracts, leases or other agreements regarding the Property during the Executory Period that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion. Furthermore, Sellers shall make no material changes to the Property on or before the Closing Date without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion.

9. Representations and Warranties by Sellers. Sellers represent and warrant to Buyer the following are true now and will be true at the Closing Date:

- 9.1 Title to Real Property. Sellers own the Real Property, free and clear of all encumbrances except as shown on the Title Commitment.
- 9.2 Authority. Sellers have all requisite power and authority to enter into this agreement and Sellers have taken all corporate actions necessary to authorize the execution, delivery and performance of this Agreement.
- 9.3 Leases. All originals or copies of the Leases delivered by Sellers to Buyer are true and correct, and such Leases have not been modified, amended or supplemented. A true and correct rent roll for the Real Property is attached hereto as Exhibit B. No event of default by Sellers currently exists, or would with the passage of time or giving of notice, or both, exist under any of the Leases, and to Sellers' best knowledge, no event of default by any tenant under any of the Leases exists or would exist with the passage of time or the giving of notice or both.
- 9.4 Contracts. Any contracts in effect regarding the Property are terminable on or before the Closing Date.
- 9.5 Certificates of Occupancy. Sellers have received no notice of actual or threatened cancellation or suspension of any certificates of occupancy for any portion of the Real Property.
- 9.6 Assessments. Sellers have received no notice of actual or threatened special assessments or reassessments of the Real Property.
- 9.7 Environmental Laws. To Sellers' best knowledge, no toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment) (collectively, "Hazardous Substance") have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in

or located on the Property, nor has any activity been undertaken on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment. To Sellers' best knowledge, there has been no discharge, release or threatened release of Hazardous Substances from the Property. To Sellers' best knowledge, there are no Hazardous Substances or conditions in or on the Property that may support a claim or cause of action under any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment. The Property is not now, and to the best knowledge of Sellers never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances.

- 9.8 Rights of Others to Purchase Property. Sellers have not entered into any other contracts for the sale of the Real Property, nor are there any rights of first refusal or options to purchase the Real Property or any other rights of others that might prevent the consummation of this Agreement.
- 9.9 Sellers' Defaults. Sellers are not in default concerning any of its obligations or liabilities regarding the Real Property.
- 9.10 FIRPTA. Sellers are not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.
- 9.11 Use of Real Property. The Real Property is usable for its current uses without violating any federal, state, local or other governmental building, zoning, health, safety, platting, subdivision or other law, ordinance or regulation, or any applicable private restriction, and such use is a legal conforming use.
- 9.12 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against Sellers or any portion of the Real Property.
- 9.13 Agents and Employees. No management agents or other personnel employed in connection with the operation of the Real Property have the right to continue such employment after the Closing Date. There are no claims for brokerage commission or other payments with respect to the existing Real Property, including leases which will survive and remain unpaid after the Closing Date.
- 9.14 Condition. Buyer shall have an opportunity to conduct a final inspection at Closing and pending Buyer's satisfaction with the status of such inspection, shall accept the buildings, structures and improvements included within the Real Property "as is" their condition as of the Closing Date.
- 9.15 Wells. Sellers certify and warrant that Sellers do not know of any "Wells" on the described Property within the meaning of Minn. Stat. § 103I. This representation is intended to satisfy the requirements of that statute.

- 9.16 Storage Tanks. To the best knowledge of Sellers after due inquiry, no above ground or underground tanks are located in or about the Property, or have been located under, in or about the Property and have subsequently been removed or filled. To the extent storage tanks exist on or under the Property such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable Federal, state and local statutes, regulations, ordinances and other regulatory requirements.
- 9.17 Controlled Substances. Sellers certify and warrant that the Property has not been used for manufacturing methamphetamine. This representation is intended to satisfy the requirements of Minn. Stat. § 152.0275.
- 9.18 Reports. Sellers have delivered to Buyer copies of all environmental reports and studies relating to the Property which are in the possession of Sellers.

If Buyer shall determine that any representations herein made by Sellers is or was not true when made, or no longer remains true, the Buyer shall have the right, in addition to all other remedies, to terminate this Agreement by notice to Sellers and upon such termination, all Deposit shall be refunded to Buyer and the parties shall have no further rights or obligations under this Agreement, except those which expressly survive termination. Sellers will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by Buyer with knowledge of any such breach by Sellers will not constitute a waiver or release by Buyer of any claims due to such breach.

10. Damage. If all or any part of the Property is substantially damaged by fire casualty, the elements or any other cause, Sellers shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty (30) days after Sellers' notice), and Buyer may elect to terminate this Agreement, in which event neither party will have any further obligations under this Agreement, and the Deposit shall be refunded to Buyer. If Buyer fails to elect to terminate despite such damage, or if the Property is damaged but not substantially, Sellers shall promptly commence to repair such damage or destruction and return the property to its condition prior to such damage. If such damage shall be completely repaired prior to the Closing Date as determined by Buyer in its reasonable discretion then there shall be no reduction in the Purchase Price and Sellers shall retain the proceeds of all insurance related to such damage. If such damage shall not be completely repaired prior to the Closing Date but Sellers are diligently proceeding to repair, then Sellers shall complete the repair after the Closing Date and shall be entitled to receive the proceeds of all insurance related to such damage after repair is completed; provided, however, Buyer shall have the right to delay the Closing Date until repair is completed. If Sellers shall fail to diligently proceed to repair such damage then Buyer shall have the right to require a closing to occur and the Purchase Price (and specifically the cash portion payable at the Closing Date) shall be reduced by the cost of such repair, or at Buyer's option, Sellers shall assign to Buyer all right to receive the proceeds of all insurance related to such damage and the Purchase Price shall remain the same. For purposes of this Section, the words "substantially damaged" mean damage that would cost \$50,000.00 or more to repair.

11. Condemnation. If eminent domain proceedings are commenced against all or any part of the Property, Sellers shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty (30) days after Sellers' notice), and Buyer may elect to terminate this Agreement, in which event neither party will have further obligations under this Agreement, and the Deposit shall be refunded to Buyer. If Buyer shall fail to give such notice then there shall be no reduction in the Purchase Price, and Sellers shall assign to Buyer at the Closing Date all of Sellers' right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, Sellers shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent.

12. Broker's Commission. Sellers and Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction, and agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

13. Mutual Indemnification. Sellers and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership, subject to Section 9 of this Agreement. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

14. Assignment. Buyer may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement.

15. Survival. All of the terms of this Agreement and warranties and representations herein contained shall survive and be enforceable after the Closing.

16. Notices. Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

From: [Cebelinski, Daniel F](#)
Sent: Friday, January 22, 2021 11:27 AM
To: parthur1950@gmail.com
Cc: erin_behling@yahoo.com
Subject: RE: FIRST PRESBYTERIAN CHURCH PARKING LOTS

Good morning Paul,

It was good to talk to you the other day about the purchase of the Presbyterian parking lot. I have included an appraisal that was completed January 13, 2020.

The proposal would roughly be as follows:

1. The parking lot will be replaced by a new ramp that will be covered, and will be maintained at the cost of the City taxpayers, with no cost to the Church.
2. The Church members will receive FREE parking as follows:
 - (a) While the new ramp is being constructed the Church member will receive free parking in the existing City ramp, one block away.
 - (b) After the new ramp is constructed the Church members will be granted free parking in the new City ramp on weekends for services. The parking will be up to a few hundred available spaces – 5 or 6 times your currently available parking.

The net result of this will be that the Church will go from about 40 uncovered parking spaces that the Church must maintain at its own cost, to substantial free covered parking. The Church will get better parking at no cost or trouble to the Church, except for the time during construction when members will need to walk from the existing City ramp to get to services.

3. The Church will be paid \$400,000 for the land where the parking lot sits. The tax value of the land is \$86,000. The original offer was \$170,000 which was determined by including the tax value of the land plus seven (7) years of “rent replacement” equating to \$84,000.

As we discussed on the phone, time is of the essence and would need to agree to a purchase agreement by February 1st.

Please review the proposal with anyone within the Presbytery that needs to be involved. If you are in agreeance with the proposed terms, we will develop a purchase agreement for signatures within the next week.

This offer remains subject to Essentia board approval and City of Duluth once the purchase agreement is written.

I look forward to continually working with you and the Church. Please feel free to reach out to me at 612.554.4447 if you would like to discuss in detail.

Thank you,
Dan Cebelinski, MBA, PE, CHFM
Director – Facilities
Essentia Health
Facilities | 5th ave – 2nd floor

RAMSLAND & VIGEN, INC.
Real Estate Appraisers & Consultants
LONSDALE BUILDING
302 WEST SUPERIOR STREET, SUITE 410
DULUTH, MINNESOTA 55802-5110

JOHN M. VIGEN, SRA, RM
GARY A. BATTUELLO, MAI, AI-GRS
MARCIA A. RAMSLAND, RESEARCH

TELEPHONE: 218/727-8583
FACSIMILE: 218/727-1697
appraise@ramslandvigen.com

MAXWELL O. RAMSLAND, JR. 1939-2014

January 13, 2020

Mr. Roy Christensen
Johnson, Killen, & Seiler
230 West Superior Street, Suite 800
Duluth, Minnesota 55802

Re: First Presbyterian Church Parking
East 1st Street and 3rd Avenue East

Dear Mr. Christensen:

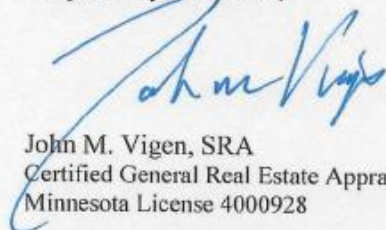
Pursuant to your request for an estimate of market value applicable to the above referenced property, the undersigned has viewed the subject property, reviewed available data, and the findings are contained herein.

The appraisal procedure and report format employed herein is intended to be compliant with Uniform Standards of Professional Appraisal Practice (2020-2021 ed.) Standards Rule 1 (Real Property Appraisal Development) and Standards Rule 2-2(a) (Appraisal Report). This report summarizes data, reasoning and analyses used in the appraisal process.

Predicated upon a review of data summarized herein, effective January 10, 2020, a market value applicable to the subject property can be estimated to be:

ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$175,000.00)

Respectfully submitted,



John M. Vigen, SRA
Certified General Real Estate Appraiser
Minnesota License 4000928

SUPPLEMENTAL DATA

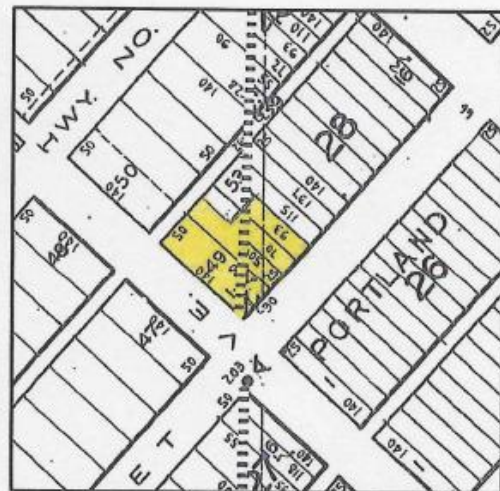
Property Identification:

The subject is a 45 space, surface parking lot located at the northeast corner of Third Avenue East and East First Street. The property is owned by the First Presbyterian Church adjacent.

The property's legal description is defined by lots, blocks and subdivision. Project exhibits depict the property is split by two divisions: Duluth Proper 1st Division East First Street and Portland Division of Duluth. A title opinion, which is beyond the scope of this assignment, would examine title and result in a fully defined legal description. For purposes herein, the subject's legal description is summarily defined as:

Parts of Lots 2-5, Block 28, Portland Division
and
Parts of Lots 49-53, Duluth Proper 1st Division East First Street

A project exhibit depicting the subject follows.



Purpose of Appraisal:

The purpose of this appraisal is to estimate a market value of the fee simple surface interest applicable to the property as a whole, effective January 10, 2020, the date of observation.

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. The Dictionary of Real Estate Appraisal, 6th Edition. (2015), pp. 141-142 defines market value as interpreted by various agencies for various purposes, inclusive of the federally insured financial institutions (FIRREA), the Internal Valuation Standards Counsel, and Uniform Standards of Federal Land Acquisition (Yellow Book). Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021) recommendations are also referenced. The Appraisal Institute indicates in its 14th Edition of The Appraisal of Real Estate, p. 58, the most widely accepted components of market value as expressed by various professional appraisal groups are incorporated into the following definition:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Intended User and Use:

The intended user of this appraisal is Mr. Roy J. Christensen, Attorney at Law (Johnson, Killen & Seiler), as representative of Essentia Health system.

The intended use is to provide counsel relative to the subject's competitive market and value estimate as the client is preparing to make an offer to acquire the property in support of a hospital expansion project.

Larger Parcel:

The subject lay across a public alleyway from the First Presbyterian Church and associated structures. Although in the past, this parking area as a whole or in part has been leased to third party users, its initial intended use was to support the church's parking needs. In recent years, such needs have apparently diminished. Nevertheless, the subject is part of a larger parcel.

The client has requested a market value estimate assuming the property be acquired on an arm's length cooperative transaction absent condemnation. Further, it is assumed, should the property be voluntarily transferred, the seller would capture whatever they deem the

land's contributory value to the whole might be in the sale price. Accordingly, for the purpose of this analysis and consistent with client request, the undersigned employs a hypothetical condition. The Uniform Standards of Professional Appraisal Practice of the Appraisal Institute defines hypothetical condition as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.

Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property, or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

So, under the hypothetical condition employed herein, the subject is considered as an independent parcel without linkage or contributory value to the known larger parcel.

Appraisal Development and Reporting Process:

The valuation procedure and reporting format are intended to be compliant with Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021 Edition) Standards Rule 1 (Real Property Appraisal Development) and Standards Rule 2-2(a) (Appraisal Report). Acknowledging the appraisal's intended use is to provide valuation counsel to the client and landowner, the appraisal report is accordingly restricted to that use and not intended for alternate purpose.

The appraisal process is also intended to be compliant with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute (2015 Edition).

Dates of Note:

Date of Property Observation:	January 10, 2020
Date of Value:	January 10, 2020
Date of Report:	January 13, 2020

Hazardous Substances:

The term "Hazardous Substance" shall mean and include any element, compound, mixture, solution or substance regulated by a federal, state or local law, rule or regulation because of its toxicity, corrosiveness, reactivity, ignitability or carcinogenic effect and shall include petroleum, natural gas and derivative of synthetics thereof. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property was not called to the attention of nor did the undersigned become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the property's market value. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. No responsibility is assumed for any such hazardous substance or for any expertise or knowledge required to discover them.

History of the Property:

The subject has been under client ownership and consistent use as a parking lot for a number of decades. It has not been sold within the past twelve months.

Scope of Appraisal:

The undersigned was retained to complete an appraisal of the subject property to facilitate the stated purpose. The client requested the undersigned to observe the property on a confidential basis without notification or interaction with the property owner.

Municipal information relative to land use standards and real estate tax assessment were researched and reported herein. Influences of the community's economic, demographic, and real estate sales data was also considered. All factors relevant to an appropriate valuation process for the subject property and purpose of this appraisal were considered herein.

Municipal Data:

Real Estate Tax Data: Information obtained from the St. Louis County Auditor's Office indicates, for real estate tax purpose, the subject is identified by four PIN's. These numbers, summarized data applicable to each and assessed market value for 2020 follow. The church ownership is real estate tax exempt.

PIN	Legal	Size (sq. ft.)	EMV
010-3830-03280	Pt Lts 4 & 5 Pt Lts 51-53	50' x 90'	\$28,800
010-0930-00370	Pt Lt 49 Pt Lt 2	50' x 90'	\$26,600
010-0930-00372	Pt Lts 49 & 51	65' x 50'	\$19,400
010-3830-03260	Pt Lt 51	25' x 140'	\$16,400
Total		12,850 sq. ft.	\$89,200

The subject is real estate tax exempt due to its ownership by and support for First Presbyterian Church adjacent. Since it is a tax exempt property, public real estate assessment, more often than not, pays little attention to assessment ratios as they might for a taxable property. Accordingly, tax exempt properties often reflect wide variance between assessed market value and estimated market value.

Zoning:

The subject is situated in a Mixed Use-Institutional (MU-I) land use district. The MU-I district was established to provide for the unique development needs and impacts of major medical, education and research institutional development. The intent is to give institutional land owners the flexibility to plan and develop their facilities while ensuring that surrounding neighborhoods are protected from adverse impacts such as traffic, overshadowing buildings, noise, and unexpected expansion of institutional uses into residential areas.

Present use of the property is consistent with land use ordinances and neighborhood environs.

Property Description:

Property exhibits depict and field observations concur the subject is located at the northeasterly corner of Third Avenue East and East First Street. The subject consists of a 45 space parking lot with striped, bitumen surface. Due to the neighborhood's hillside slope gradient, 15 spaces are at an upper level accessed from the abutting public alleyway. Thirty spaces are some 8± feet lower with access from Third Avenue East. A riprap retention slope separates the two lots as well as along the First Street frontage.

Albeit a multi-level, city-owned parking ramp was recently constructed across First Street from the subject, available parking space within the greater neighborhood remains a premium. In addition to church related use, opportunity exists for the subject to provide contract parking with Essentia hospital system nearby, HRA offices across Third Avenue East, Greysolon Plaza, a housing & conference center, as well as an expanding business/arts district along East Superior Street, one block distance.

Highest and Best Use:

In its The Dictionary of Real Estate Appraisal, 6th edition, p. 109 defines Highest and Best Use as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Predicated on the subject's historical use and observed demand within the neighborhood, it appears current use as a surface parking lot represents a current highest and best use.

Valuation Procedure:

In the valuation procedure, the cost approach considers replacement cost of the improvements less applicable depreciation plus land value. While such estimates may be applicable for insurance valuation or other purposes, acknowledging the nature of the subject property and function of this assignment, this technique is deemed inappropriate. In the local market, parking lots of the subject's type are often operated on a contract basis to either an entity as a whole and/or daily parking. In the past, the subject has been leased on a temporary month-to-month basis for a reported \$1,000/month. Acknowledging the lack of consistency and nominal return generally experienced for a lot of this type, an income analysis was not presented. Most often, parking lots are valued on their rate of exchange in the open market with the common denominator being a price paid per parking space. This technique is considered most appropriate for this assignment.

For the purpose of this analysis, market research focused on the sale of surface parking lots and/or land acquired for the same. All were located within the city's CBD. Due to the limited availability for properties of this type, research extended to January 1, 2011. Initial observations were filtered with a focus towards those deemed reasonably competitive with the subject. This process resulted in six observations. A matrix depicting salient data applicable to these follows.

Rec	PIN	Address	Date	Price	SF	\$/SF	Spaces	\$/Space
2243 VCI	010-0960-00340	2 nd St W 301	2019-4	\$87,000	14,000	\$6.21	32	\$2,718
2216 VCI	010-0980-00570	3 rd St W 1xx	2017-5	19,000	3,500	5.43	0	0
2112 VCI	010-0980-00820+	3 rd St W 300 Blk	2015-10	230,000	21,000	10.95	48	4,791
2111 VCI	010-1000-00510	4 th St W 128	2014-12	190,000	10,500	18.10	20	9,500
1988 VCI	010-0970-00340	3 rd Ave E N 300 Blk	2012-9	11,000	3,500	3.14	6	1,800
1970 VCI	010-0950-00550+	2 nd St E 12 approx	2011-12	45,000	7,000	6.43	14	3,214

The most common unit of value applicable to the analysis of surface parking lots tends to be the price paid per square foot of land and/or the price paid per developed parking space. The six observations range in size from 3,500 square feet to 21,000 square feet. The lesser properties were acquired by an abutter for expansion or addition of parking spaces. The properties sold at a range of \$3.14 to \$18.10 per square foot. The lesser sale was an acquisition of a 3,500-square-foot tract which lay behind a multi-family building and was acquired for tenant parking. It had an unimproved gravel surface without designated spaces. By estimate, it appears to be able to accommodate 6± vehicles. Conversely, the \$18.10 sales was an acquisition by the Fond du Lac Band of an improved property adjacent to their CBD wellness center. Existing triplex was razed and a 20 space parking lot built. The remainder four acquisitions varied in price from \$5.43 to \$10.95 per square foot (average \$8.42/sq. ft.), which is fairly representative of their locational market.

Of the six observations, five featured parking spaces and one was acquired for future use of the same. Parking spaces varied from 6 to 48. The six-unit was the aforementioned \$3.14 acquisition to accommodate tenants in an abutting apartment building. The \$5.43 sale was a sloped land tract with only two parking spaces near the alley. In essence, it was acquired to expand an abutting apartment building ownership. The price per square foot of land for both transactions is consistent with competitive market observations. The remainder lots featured improved parking spaces. Excluding the lower outlier, prices paid range from \$2,718 to \$9,500 per parking space. The \$9,500 price was attributable to the Fond du Lac Band acquisition which was likely

tainted by subjective considerations. It appears market should range between \$2,718 to \$4,791 per space.

The subject is of 12,850 square feet improved with 45 parking spaces. Based on the average price of land within this sector being between \$8 to \$10 per square foot, the subject's land value is calculated as follows.

12,850 square feet @ \$8 per square foot = \$102,800
12,850 square feet @ \$10 per square foot = \$128,500
(rounded) \$100,000 to \$130,000

An alternate consideration is to analyze the subject by a price paid per parking space. Based on observations, this unit of comparison should range between \$3,500 to \$4,500 per space. Applying these factors to the subject's 45 parking space results in the following value range.

45 spaces x \$3,500 per space = \$157,500
45 spaces x \$4,500 per space = \$202,500
(rounded) \$160,000 to \$200,000

An analysis of available data applicable to improved parking spaces within the central fringe areas of the city's CBD indicates, on a price paid per square foot of land, the subject should experience a range in price expectation between \$100,000 to \$130,000. Alternatively, if the same data is interpreted via a price paid per parking space, the range in value increases to \$160,000 to \$200,000.

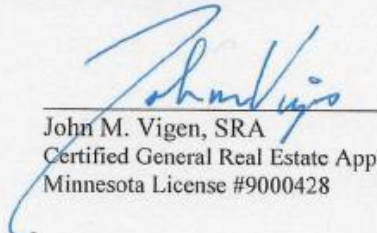
Predicated on the subject's location at the northeast edge of the CBD, yet within an increasingly active business/arts district, it is reasonable to anticipate a most probable market value stabilized at:

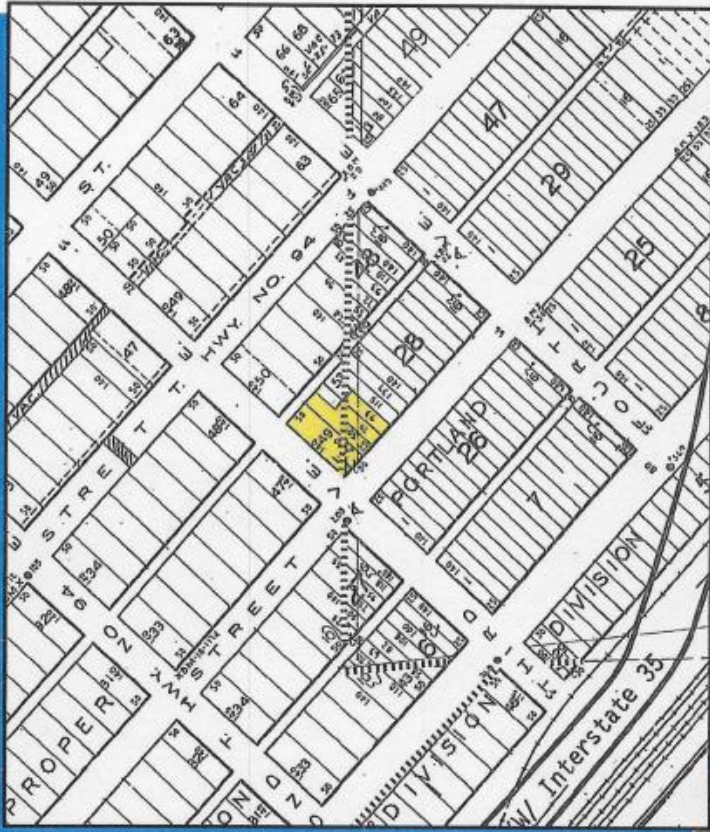
ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$175,000)

CERTIFICATION:

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed; and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, I, John M. Vigen SRA, have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.


John M. Vigen, SRA
Certified General Real Estate Appraiser
Minnesota License #9000428



Parking Lot
First Presbyterian Church
E 1st Street & 3rd Avenue E



ASSUMPTIONS AND LIMITING CONDITIONS:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2020-2021). As such, it contains discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. The exhibits found herein are included to assist the reader in visualizing the property. The appraisers assume no responsibility in connection with the accuracy of such items.
15. Any proposed improvements are assumed to be completed in a good, workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. The Americans with Disabilities Act, "ADA," became effective January 26, 1992. The appraiser has not made a specific compliance survey/analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact may have a negative effect upon the value of the property. Since there is no direct evidence relating to this issue, non-compliance with the requirements of ADA has not been considered in estimating the value of the property.

QUALIFICATIONS OF THE APPRAISER

John M. Vigen, SRA, RM

Present Position: Ramsland & Vigen, Inc.
Real Estate Appraisers & Consultants
Lonsdale Building
302 West Superior Street, Suite 600
Duluth, Minnesota 55802

Past Real Estate Experience: Forty-six years real estate experience consisting of residential, natural resource land, and commercial appraisals, residential sales and property management.

Professional Associations: Appraisal Institute
North Star Chapter
(Past President – 2000)
(Lake Superior Chapter No. 183)

Duluth Board of Realtors

License: Minnesota Real Estate Appraiser - #4000928
Certified General Classification

Wisconsin Real Estate Appraiser - #750-10
Certified General Classification

Member: RM Designation #1363 (1979)
(Former – American Institute of Real Estate Appraisers)

SRA Designation, Certification #909007 (1980)
(Former – Society of Real Estate Appraiser's)

Certified Instructor, State of Minnesota
Department of Securities, Real Estate Division

Real Estate Appraisal Education: Compliant with qualifying and continuing education requirement for:

Appraisal Institute
State of Minnesota
State of Wisconsin

Uniform Standards of Professional Appraisal Practice – (2019)

Land Trust Alliance Symposiums (1996-2008)

Vigen (continued)

Real Estate Appraisal
Education (continued):

National Conservation Training Center – (1999)
Land Conservation Strategies

Federal Land Exchanges & Acquisitions – (2008)
Valuation of Conservation Easements – (2008)
IRS-Valuation of Donated Real Estate – (2014)

Appraisal Seminars/Courses of Diverse Content (1975-2019)

Representative Client List:

3M – Real Estate Department
Conservation Fund
Employee Relocation Council
Federal Deposit Insurance Corporation
Iron Range Resources & Rehabilitation Board
LTV Mining Company, Lands and Minerals Division
Metropolitan Federal Bank
Minnesota Cities of:
 Bemidji
 Cromwell
 Cloquet
 Duluth
 Grand Marais
 Hermantown
 Moose Lake
 Proctor
 Two Harbors
Minnesota Counties: St. Louis, Lake, Cook, Cass,
 Koochiching, and Aitkin
Minnesota Department of Natural Resources
Minnesota Land Trust
Minnesota Parks and Trails
Minnesota Power and Light Company
Nature Conservancy
North Shore Bank of Commerce
Potlatch Corporation
Republic Bank of Duluth
Soo Line Railroad
City of Superior, Wisconsin
 Community Development Program
State of Minnesota
Trust for Public Land
United States Forest Service
University of Minnesota
 Office of Real Estate Coordinator
U.S. Bank System
USX
 Northern Land & Minerals Division
Wells Fargo
Western National Bank

From: parthur1950@gmail.com
Sent: Friday, January 22, 2021 12:42 PM
To: erin_behling@yahoo.com
Cc: parthur1950@gmail.com
Subject: FW: FIRST PRESBYTERIAN CHURCH PARKING LOTS

Erin,

I am forwarding a copy of my email to Rich Blood and Brad Carlos for your files.

I have requested the appraisal be updated as it is over a year old.

Did JK ever present the purchase offer and appraisal to the Session?

Paul

Attention Rev. Richard Blood,

Rich,

I am forwarding a copy of the email received from Daniel Cebelinski at ESSENTIA Regarding the purchase of the first PRESBYTERIAN CHURCH OF DULUTH Parking Lots Along with an attached appraisal of the PROPERTY completed by RAMSLAND & VIGEN, INC.

Please note, Essentia has requested a NOTIFICATION OF INTENTION TO SELL FIRST PRESBYTERIAN PARKING LOTS/PROPERTY PRIOR TO FEBUARY 1, 2021.

Since the appraisal is over a year old, I would ask permission to call attorney Roy Christensen and request he contact John Vigen of RAMSLAND & VIGEN, INC. to Update the 01/13/2020 appraisal.

Please give me a call 218-724-1714 or send me an email reply ASAP: parthur1950@gmail.com

I await your reply.

Thank you for your assistance.

PAUL A. Johnsen
(First Presbyterian Church Member)

Sent from [Mail](#) for Windows 10

From: parthur1950@gmail.com

Sent: Friday, January 22, 2021 1:23 PM

To: Cebelinski, Daniel F

Cc: Richard Black

Subject: First Presbyterian Church Parking East 1st Street and 3rd Avenue East Appraisal Update

Hi Dan,

Thank you for your email of 01/22/2021 and attached copy of the 01/10/2020 appraisal from RAMSLAND & VIGEN, INC.

I have forwarded a copy of your email to Rev Richard Blood and Rev Bradley Carlos of the Presbytery of Northern Waters for their review and direction.

I have been advised since the appraisal is over a year old, the appraisal should be updated to reflect current Values.

I have been advised the appraised value

Thank you for your assistance.

I await your reply.

Paul

Sent from [Mail](#) for Windows 10

reblood@msⁿ.com

If to Seller: First Presbyterian Church of Duluth
Attn: Lawrence Medalen and Paul Johnsen
300 E 2nd Street
Duluth, MN 55805

The Presbytery of Northern Waters
Attn:
5203 East Second St
Superior, MN 54880

Or by e-mail to Sellers' attorney Rob Merritt
Email:

If to Buyer: SMDC Medical Center
c/o Office of the General Counsel
The Duluth Clinic, Ltd.
502 East Third Street
Duluth, Minnesota 55805

Email: joshua.muro@essentiahealth.org

17. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

18. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

19. Confidentiality. Sellers and Buyer agree that each will not disclose the contents of this Agreement or any agreement contemplated hereby to any third parties without the consent of the other party, except as may be required to ensure compliance with any applicable laws, rules or regulations of any governmental authority having jurisdiction over such party. Nothing contained herein shall be construed as prohibiting either party from disclosing the contents of this Agreement on a confidential basis to its officers, directors, employees, affiliates, principals, shareholders, partners, members, lenders, investors, counsel, accountants, consultants and other agents.

20. Exclusive Dealing. Sellers agree that so long as this Agreement is in effect, Sellers will not solicit or accept any offer or enter into any agreement for the Property, or any portion thereof, or any transaction regarding Sellers which would result in any sale, disposition or transfer of any portion of the Property.

21. Acceptance; Effective Date. This Agreement shall only become binding if Sellers shall deliver this Agreement fully executed to Buyer no later than 5:00 p.m. on the day which is five (5) business days from the date of execution by Buyer, otherwise this Agreement shall be void and of no force and effect. This Agreement shall be in binding and of full force and effect as of the date

of full execution hereof, but the "Effective Date" of this Agreement for time periods stated herein shall be the date which is five (5) days following the date of signature of the last of the parties to execute this Agreement. Time is of the essence as to the provisions of this Agreement.

22. Cooperation. Sellers and Buyer agree to cooperate in the prosecution of applications made by either party for any governmental certificates or approvals appropriate or necessary for the consummation of the transactions contemplated by this Agreement or Buyer's Intended Use and occupancy of the Property. Sellers and Buyer each agree at any time or from time to time at the written request of the other to sign and deliver such other documents as may be reasonably requested or as may be reasonably necessary or appropriate to give full effect to the terms and conditions of this Agreement.

23. Binding Effect. This Agreement binds and benefits the parties and their successors and assigns.

24. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

25. Default and Remedies. If Buyer defaults under this Agreement, Sellers shall give written notice of such default to Buyer. If Buyer fails to cure such default within fifteen (15) days of the date of such notice, this Agreement will terminate, and upon such termination, Sellers will retain the Deposit as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Deposit will be the sole remedy available to Sellers for such default by Buyer, and Buyer will not be liable for damages or specific performance. If Sellers default under this Agreement, Buyer shall have all remedies available to it at law and in equity, including, but not limited to, the right to terminate this Agreement and receive a return of its Deposit and pursue monetary damages against Sellers and to pursue specific performance of this Agreement.

[Remainder of Page Intentionally Left Blank]

Sellers and Buyer have executed this Agreement as of the date first written above.

Date of Signature

_____, 2021.

SELLERS:

FIRST PRESBYTERIAN CHURCH OF DULUTH

By _____
Lawrence Medalen, Trustee

By _____
Paul Johnsen, Trustee

THE PRESBYTERY OF NORTHERN WATERS

By _____
Its Authorized Agent

Date of Signature

_____, 2021.

BUYER:

SMDC MEDICAL CENTER

By _____
Its Authorized Agent

EXHIBIT A

Description of Real Property

Parcel 1:

Lot Four (4) and Five (5) Block Twenty-eight (28), Portland Division, including East half (E 1/2) of Lot Fifty-one (51) and West half (W 1/2) of Lot Fifty-three (53), East First Street, Duluth Proper, First Division, except Northerly Fifty feet (50'), St. Louis County, Minnesota.

Abstract Property

and

Parcel 2:

N'y 50 feet of Lot 49 EAST FIRST STREET, DULUTH PROPER FIRST DIVISION W'y 15 feet of the N'y 50 feet of Lot 51 EAST FIRST STREET, DULUTH PROPER FIRST DIVISION, St. Louis County, Minnesota.

Torrens Property - Certificate No. 180237

and

Parcel 3:

Lot 2 Block 28 PORTLAND DIVISION OF DULUTH Lot 49, EXCEPT the N'y 50 feet thereof, EAST FIRST STREET, DULUTH PROPER FIRST DIVISION, St. Louis County, Minnesota.

Torrens Property - Certificate No. 203678

and

Parcel 4:

Lot 3 Block 28 PORTLAND DIVISION OF DULUTH All of that part of Lot 51 EAST FIRST STREET, DULUTH PROPER, FIRST DIVISION, that lies between the W'y line of said Lot 51 and a parallel line thereto and 25 feet distant therefrom, EXCEPT the W'y 15 feet of the N'y 50 feet thereof, St. Louis County, Minnesota.

Torrens Property - Certificate No. 212507

SUPPLEMENTAL DATA

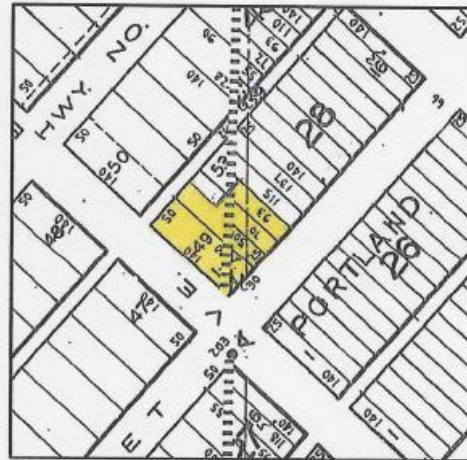
Property Identification:

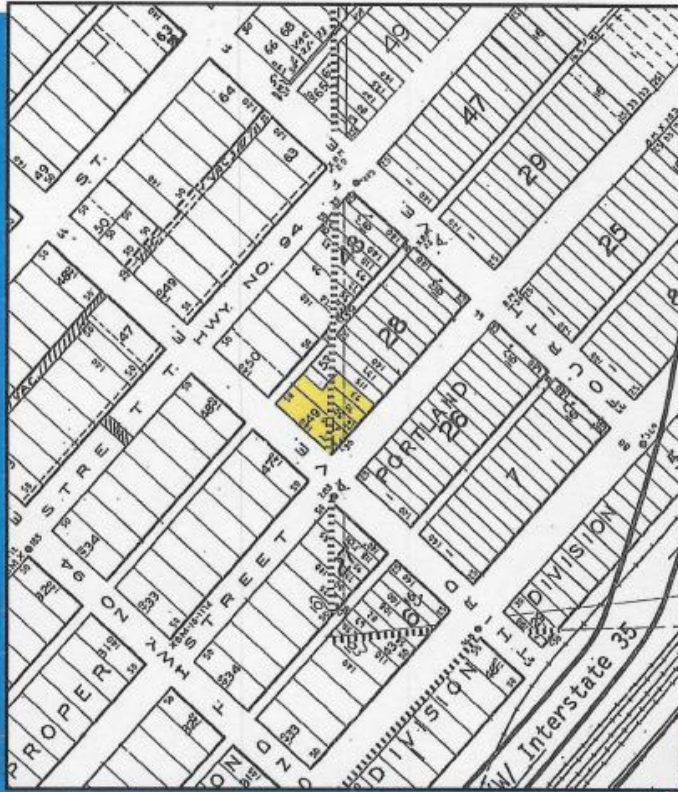
The subject is a 45 space, surface parking lot located at the northeast corner of Third Avenue East and East First Street. The property is owned by the First Presbyterian Church adjacent.

The property's legal description is defined by lots, blocks and subdivision. Project exhibits depict the property is split by two divisions: Duluth Proper 1st Division East First Street and Portland Division of Duluth. A title opinion, which is beyond the scope of this assignment, would examine title and result in a fully defined legal description. For purposes herein, the subject's legal description is summarily defined as:

Parts of Lots 2-5, Block 28, Portland Division
and
Parts of Lots 49-53, Duluth Proper 1st Division East First Street

A project exhibit depicting the subject follows.





**Parking Lot
First Presbyterian Church
E 1st Street & 3rd Avenue E**



Congregation Meeting Minutes
February 21, 2021

Rev. Duane Aslyn, the Presbytery of Northern Waters (PNW) appointed moderator called the meeting to order and opened with prayer following the worship service in the sanctuary of First Presbyterian Church (FPC). A quorum was declared by the Clerk.

The purpose of the meeting is to vote on the sale of the church parking lots to Essentia Health Systems. Paul Johnsen read the following motion: The specially appointed committee of the First Presbyterian Church, appointed and instructed by the Administrative Commission of the Presbytery of Northern Waters, and made up of Paul Johnsen, and Larry Medalen moves the following: That First Presbyterian Church, Duluth, MN, sell the property referred to as the "parking lots" and described in the attached property description, to Essentia Health Systems for the amount of \$400,000, with all proceeds from the sale to be deposited in the congregation's LPL account. Paul also stated PNW will provide legal fees and costs incurred for FPC in this sale. No further congregation meetings are needed as Paul Johnsen and Larry Medalen are authorized to make any further changes.

Questions from the floor were answered by Paul.

- the parking lots referenced in the sale include nine parcels of land from east first street to 3rd avenue east and from first street to the alley along 3rd avenue east. The height of the parking ramp to be built is unknown at this time.
- During the construction phase of the parking ramp, temporary parking will be allowed free of charge one block from the church in the Essentia lot along first street. This will be available to our tenants, church staff and those attending services at the church. Once the ramp is completed, the same parking provisions will be made. The parking spot designations and precise numbers of free spots have yet to be determined but likely around 50 initially.
- Essentia and FPC representatives will work out details re: egress and exit from the ramp to FPC.
- Numbers of people attending group meetings at the church varies. Parking may be free or there may be a charge but those details not yet determined.
- Construction time line has not yet been determined nor has handicapped parking access to the church during the construction phase. We may need to consider valet parking services or contact the city for additional handicapped parking spots in front of the church. The session can pursue this.
- The sale price was derived from a professional appraisal value of \$175,000, the real estate value of \$86,000 and the loss of parking lot rental revenue by FPC for 7 years of \$84,000.

Motion regarding sale of the church parking lots to Essentia Health Systems passed with unanimous verbal assent.

Paul will contact Dan Cebelinski at Essentia with the results of the vote and PNW will pursue meeting with Attorney Robin Merritt to represent FPC and PNW to secure a contract.

A motion to adjourn the meeting was MSC. Rev. Aslyn closed with prayer.

Respectfully submitted,
Erin Behling, Clerk of Congregation

From: parthur1950@gmail.com <parthur1950@gmail.com>
Sent: Monday, February 22, 2021 10:15 AM
To: Cebelinski, Daniel F <Daniel.Cebelinski@essentiahealth.org>
Cc: brad.carloss@gmail.com
Subject: FW: First Presbyterian Church Motion to Sell "Parking Lots" to Essentia Health Systems

Good Morning Dan,

Attached please find a copy of the motion I read 02-21-2021 at the congregational meeting to sell the First Presbyterian parking lots:

The specially appointed committee of the First Presbyterian Church, appointed and instructed by the Administrative Commission of the Presbytery of Northern Waters, and made up of made of Paul Johnson, Larry Medalin moves the following:

That First Presbyterian Church, Duluth, MN, sell the property referred to as the "parking lots" and described in the attached property description, to Essentia Health Systems for the amount of \$400,000, with all proceeds from the sale to be deposited in the congregation's LPL account.

Please mark your records to show it was a unanimous vote to sell the parking lots to Essentia Health Systems.

Pursuant to my 02/19/2021 phone call with Rev. Bradley Carloss, Stated Clerk of THE PRESBYTERY OF NORTHERN WATERS, I was advised Attorney Rob Merritt of the HANFT FRIDE, PA Law Firm would represent both The Presbytery of Northern Waters and the First Presbyterian Church in regard to the sale of the parking lots.

First Presbyterian Church newly installed Elders Paul Johnsen and Larry Medalen will be Available to sign any documents needed to assist with the sale. Larry and I are under the advisement of the Presbytery of Northern Waters Administrative Commission is the non- profit officers of the First Presbyterian Church of Duluth, MN Business Corporation.

Please email a copy of the finalized purchase agreement prior to signing for Our inspection and review.

Thank you for your patience and assistance.

Respectfully submitted,

Paul A. Johnsen
First Presbyterian Church Elder

EXHIBIT A

Description of Real Property

Parcel 1:

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and

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Torrens Property - Certificate No. 180237

and

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Torrens Property - Certificate No. 203678

and

Parcel 4:

Lot 3 Block 28 PORTLAND DIVISION OF DULUTH All of that part of Lot 51 EAST FIRST STREET, DULUTH PROPER, FIRST DIVISION, that lies between the W'ly line of said Lot 51 and a parallel line thereto and 25 feet distant therefrom, EXCEPT the W'ly 15 feet of the N'ly 50 feet thereof, St. Louis County, Minnesota.

Torrens Property - Certificate No. 212507