

**Presbyterian Church (U.S.A.) A Corporation**  
**Sale of Santa Fe Property**

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\*a slight modification was made to the agreement reached with PMA Executive Director. Instead of an allocation of \$400,000 to the property disposition fund, only \$300,000 was allocated. The remaining \$100,000 went to coronavirus financial relief actions for the national staff.

The final allocation of the \$2 million sales proceeds is as follows:

- \$1.0 million to PMA for coronavirus relief
- .2 million to OGA for coronavirus relief
- .1 million to ASG for coronavirus relief
- .4 million to Menaul School, Albuquerque, for New Mexico mission per PMAB direction
- .3 million to A Corp, for a property disposition fund

\$2.0 million Total

**Summary of Actions of Presbyterian Church (U.S.A.), A Corporation (“A Corporation”)  
Sale of Santa Fe Property**

<b>Date and Approval of Action</b>	<b>Text of Action</b>
<p>A Corporation Action Taken 10/08/10;  Minutes Approved 04/01/11</p>	<p>The Board of Directors <b>VOTED</b> to approve the following resolution:</p> <p>RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation (“Corporation”) hereby authorizes, subject to the Corporation’s Real Estate Policy (“Policy”), the required rights of refusal, and any restrictions on the use of the proceeds, the following:</p> <ul style="list-style-type: none"> <li>• the Ghost Ranch Governing Board (“GR Governing Board”) to advertise the property located in Santa Fe, New Mexico and known as Plaza Resolana and, alternatively, Ghost Ranch Santa Fe (“Property”) for sale and/or lease, to entertain offers from third parties to purchase or lease the Property, and to recommend a sale or lease of the Property to the President and the Executive Vice President/CFO and</li> <li>• the President and the Executive Vice President/CFO, after reviewing recommendations from the GR Governing Board and the Executive Director, Ghost Ranch, to negotiate and finalize a contract of sale or a lease arrangement for the property.</li> </ul>
<p>A Corporation Action Taken 09/16/16;  Minutes Approved 03/17</p>	<p>The Board of Directors <b>VOTED</b> to approve the following recommendations:</p> <p><b>A. That the President of the Corporation be and he hereby is authorized to designate the use of proceeds from the sale of the Santa Fe, New Mexico property in a manner he reasonably determines to be in the best interests of the Presbyterian Mission Agency and the Presbyterian Church (U.S.A.), A Corporation (“Corporation”) operations in New Mexico, after consultation with and approval from the Chair of the Board of the Corporation, said designation to be reported by the President to the earlier of the next meeting of the Executive Committee of the Corporation or the Board of the Corporation; and</b></p> <p><b>Further that this authorization is conditioned on the Corporation entering into definitive agreements and a Covenant with the National</b></p>

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<b>Date and Approval of Action</b>	<b>Text of Action</b>
	<p><b>Ghost Ranch Foundation and the Board of Christian Education of the Presbyterian Church (U.S.A.) regarding the Corporation’s operations in Abiquiu, New Mexico;</b></p> <p><b>Further that the Corporation approves this authorization as an exception to the Corporation’s Real Estate Policy; and</b></p> <p><b>Further that in the event the agreements and Covenant are not entered into, this designation authority is withdrawn and the applicable provisions of the Corporation’s Real Estate Policy will control the use of the proceeds of any sale of the Santa Fe site.</b></p> <p><b>B. That the Presbyterian Church (U.S.A.), A Corporation (“Corporation”) is hereby approved to transfer the operations of Ghost Ranch Education and Retreat Center (“Ghost Ranch”) to the National Ghost Ranch Foundation, Inc. (NGRF), with oversight by the Foundation’s constituent corporation, the Board of Christian Education of the Presbyterian Church (U.S.A.) (“BCE”), effective on or about January 1, 2017;</b></p> <p><b>This authorization and approval is conditioned upon:</b></p> <ol style="list-style-type: none"><li><b>1. A definitive agreement being negotiated and signed between NGRF and the Corporation for the transfer of the operations of Ghost Ranch to NGRF;</b></li><li><b>2. A definitive agreement being negotiated and signed between BCE and NGRF for use of the Ghost Ranch real property;</b></li><li><b>3. A definitive agreement being negotiated and signed between Foundation and the Corporation with regard to discontinuation of the use of the Ghost Ranch property, real and personal (including property, plant and equipment owned by the Corporation) in the programmatic work of the PMA, and the related amendment to the Limited Power of Attorney and its Annex A between these two parties to remove the Ghost Ranch real property from Annex A, with the Ghost</b></li></ol>

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Date and Approval of Action	Text of Action
	<p>Ranch real property then being held by the BCE as investment property;</p> <ol style="list-style-type: none"> <li>4. A Covenant being discerned and signed among NGRF, the Foundation and/or BCE, and the PMA Board, through its Executive Committee, regarding their mutual responsibilities and commitments to the continuity of the Ghost Ranch ministry;</li> <li>5. Action of the Presbyterian Mission Agency Board approving the cessation of the Presbyterian Mission Agency's ("PMA") programmatic work at Ghost Ranch;</li> <li>6. NGRF meeting all standards and requirements for receipt of transfer of Ghost Ranch operations as determined by the corporate Property, Legal and Finance Committee of the Corporation; and</li> <li>7. Action of the Corporation regarding use of the proceeds of the sale of Santa Fe <u>property</u>.</li> </ol> <p>Further, that, upon recommendation of the Corporation's Property, Legal and Finance Committee, the Board of Directors shall be called to a special meeting to approve and authorize the officers of the Corporation to take any and all steps necessary to enter into the agreements and Covenant; to finalize the transfer of operations; and to fulfill the intent and purpose of the above actions; and</p> <p>Further, that the Covenant dated October 2, 2011 between the Ghost Ranch Governing Board and the PMA Board is ended effective upon the transfer of Ghost Ranch operations to NGRF, currently expected to be January 1, 2017, and the PMA Board's Ghost Ranch Governing Board thereafter be dismissed with <b>special thanks</b>.</p>
<p>A Corporation Action Taken 03/22 - 24/17; Minutes Approved 09/21/17</p>	<p>The Board of Directors of the Presbyterian Church (U.S.A.), A Corporation <b>VOTED</b> to approve the following resolutions in regards to the sale of the Santa Fe Property:</p> <p style="text-align: center;"><b>RESOLVED, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation ("Corporation") hereby approves, subject to the Corporation's Real Estate Policy ("Policy") and restrictions on</b></p>

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Date and Approval of Action	Text of Action
	<p><b>use of proceeds as authorized by the Corporation at its September 2016 meeting, the sale of property located in Santa Fe, New Mexico, formerly operated as Ghost Ranch Santa Fe (“Property”), to El Castillo Retirement Residences, a New Mexico non-profit corporation, for the purchase price of Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) (“Purchase Price”), payable by Buyer to the Corporation in the manner and subject to the conditions more fully described in the Purchase and Sale Agreement; and</b></p> <p><b>FURTHER RESOLVED, the officers of the Corporation be and they hereby are authorized to take any and all actions necessary to effect the sale consistent with this authorization of the Corporation; and</b></p> <p><b>FURTHER RESOLVED, all actions of the officers to list and sell this Property taken prior to this Corporate authorization are hereby ratified, confirmed and approved.</b></p>

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Because of the structural changes separating the A Corporation Board of Directors (“**Board**”) from the Presbyterian Mission Agency Board (“**PMAB**”), April Davenport solicited advice from Laurie Griffith in the Office of the General Assembly regarding how the September 2016 action of the A Corporation Board should be interpreted. Her response follows.

**From:** Laurie Griffith <Laurie.Griffith@pcusa.org>  
**Sent:** Thursday, February 27, 2020 1:51 PM  
**To:** April Davenport <April.Davenport@pcusa.org>  
**Subject:** Review of our conversation

Hi April,

In September, 2016 the Presbyterian Mission Agency Board acting as the Presbyterian Church (U.S.A.), A Corporation approved a four paragraph statement that any proceeds from the sale of a particular property in Santa Fe will be designated by the A Corporation Board President in any manner that the President believes will further the mission of the A Corp and PMA in New Mexico. This power to designate was contingent upon agreements between completed between PMA, A Corp and the Ghost Ranch Foundation. The power to designate was an exception to the A Corporation Board’s policy on proceeds from sale of property. The exception was nullified if the agreements were not completed.

As far as the A Corp President is aware, previous Presbyterian Church (U.S.A.), A Corporation Presidents did not designate the proceeds. Also, as far as the A Corp President is aware, the agreements completed between PMA, A Corp and the Ghost Ranch Foundation do not specify or refer to the receipt, gift or disposal of proceeds from the sale of the particular property in Santa Fe.

If the above is the case, the A Corporation President should do due diligence to determine whether there is any Mission in New Mexico on behalf of the Presbyterian Mission Agency and on behalf of the Presbyterian Church (U.S.A.), A Corporation. Then the President has the power to designate the funds pursuant to Mission in New Mexico.

If the President finds that there is no Mission of the Presbyterian Church (U.S.A.), A Corporation and/or the Presbyterian Mission Agency, in New Mexico, then the proceeds should be designated according to A Corporation policies regarding proceeds from the sale of property.

If the President finds that there is Mission in New Mexico, but that designation of the proceeds would not further the Mission of the Presbyterian Church (U.S.A.), A Corporation and/or the Presbyterian Mission Agency and/or there is conflict between the interpretation of Mission in New Mexico, then the President could decide not designate the proceeds and the proceeds will be distributed according to A Corporation policies regarding proceeds from the sale of property.

The President of A Corp could also ask that the Presbyterian Church (U.S.A.), A Corporation Board determine that this exception is null and void and the proceeds will be distributed according to A Corporation policies regarding proceeds from the sale of property.

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Let me know if this accurately reflects what we talked about.

Laurie Griffith  
Associate Stated Clerk  
Associate Director for Constitutional Interpretation  
Office of the General Assembly  
Presbyterian Church (U.S.A.)  
100 Witherspoon St  
Louisville, KY 40202  
502-569-5432 (office)  
502-386-3983 (cell)

Since the A Corporation actions were taken by the Board, all conditions listed in the September 2016 action were satisfied, the listed agreements were executed, and the listed Covenant was signed. The use of the proceeds of the Santa Fe sale exist solely in the A Corporation Board's September 2016 action and not as a part of the agreements listed in the actions taken.

As an information item, PMAB took the following action related to its mission at Ghost Ranch at its September 2016 meeting. This action is a companion piece (corporate follows mission) to the action listed in the chart above.

The Presbyterian Mission Agency Board **VOTED** to approve the following recommendations related to Ghost Ranch (**Appendix 17**):

**The Presbyterian Mission Agency Board, having no directive from the General Assembly to continue in perpetuity the programmatic work of the Presbyterian Mission Agency ("PMA") performed by and through PMA staff in Louisville, Kentucky and at the Ghost Ranch Education and Retreat Center in Abiquiu, New Mexico ("Ghost Ranch"), and with the knowledge there are others ready and willing to provide similar programs missionally aligned with the PMA's Mission Work Plan, hereby approves and authorizes the PMA to end this programmatic work at this location effective December 31, 2016, having determined that (1) the work at this site is no longer within the PMA's purview, including its ministry on behalf of the Board of Christian Education of the Presbyterian Church (U.S.A.) ("BCE"), to continue serving as the operator of Ghost Ranch, (2) continuing to operate Ghost Ranch as the mission of the BCE is no longer wise or feasible, and (3) the PMA is not the agency of the General Assembly or the denomination best resourced to provide this important work, especially in view of the enormous capital needs of Ghost Ranch which exceed the available and trended funding of the PMA; and**

**That the Interim Executive Director of the PMA be and he hereby is authorized to certify this decision to the Presbyterian Church (U.S.A.) Foundation; and**

**That the Presbyterian Church (U.S.A.) Foundation's constituent corporation, the BCE as the titleholder of the property, be asked to declare that the property, on which the Ghost Ranch Education and Retreat Center is located, will be held by BCE as investment property consistent with the 1986 Deliverance.**

**This decision will become effective January 1, 2017 conditional on all the prerequisites of transfer of operation being satisfied in the PMA's sole determination.**

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Details of the final proceeds from the sale of the Santa Fe property

Receipts

Amount	Date	Description
\$300,000.00	12/12/2018	Southwestern Title - Deposit
\$200,000.00	5/24/2019	Southwestern Title - Deposit
<u>\$2,720,224.70</u>	11/7/2019	Southwestern Title - Sale
\$3,220,224.70		

Expense

\$30,980.05	10/31/2019	Disposal Expenditures
-\$98,304.96	12/31/2018	Disposal Expenditures
<u>\$864,059.52</u>	12/31/2017	Disposal Expenditures
\$796,734.61		

Asset

Disposal	\$545,741.42	12/31/2019	Property Disposal - Building
	\$23,936.36	12/31/2019	Property Disposal - Equipment
	\$135,100.00	12/31/2019	Property Disposal - Land
	<u>-\$317,307.23</u>	12/31/2019	Property Disposal - Depreciation
	\$387,470.55		

Summary

\$3,220,224.70	Receipts
-\$796,734.61	Expense
<u>-\$387,470.55</u>	Asset Disposal
\$2,036,019.54	Proceeds

**PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION BOARD**

**April 14-15, 2020**

**From:** Diane Moffett <Diane.Moffett@pcusa.org>  
**Sent:** Monday, March 16, 2020 4:27 PM  
**To:** Kathy Lueckert <Kathy.Lueckert@pcusa.org>  
**Subject:** RE: Santa Fe Conversation: Summary

I think you have it Kathy. Thanks for our meeting. We will stay in touch.

In faith,

Diane Givens Moffett  
**President/Executive Director**  
Presbyterian Mission Agency  
Direct: 502.569.5040  
Toll free: 1.888.728.7228, ext. 5040  
[Diane.moffett@pcusa.org](mailto:Diane.moffett@pcusa.org)



Presbyterian Church (U.S.A.)  
**Presbyterian Mission**

**From:** Kathy Lueckert <[Kathy.Lueckert@pcusa.org](mailto:Kathy.Lueckert@pcusa.org)>  
**Sent:** Monday, March 16, 2020 4:21 PM  
**To:** Diane Moffett <[Diane.Moffett@pcusa.org](mailto:Diane.Moffett@pcusa.org)>; Barry Creech <[Barry.Creech@pcusa.org](mailto:Barry.Creech@pcusa.org)>; April Davenport <[April.Davenport@pcusa.org](mailto:April.Davenport@pcusa.org)>  
**Subject:** Santa Fe Conversation: Summary

So that we can strive for clarity, here's where I think we landed:

\$2.0 M in sales proceeds from Santa Fe will be allocated as follows:

- \$1.0 M to Stony Point, for virus financial relief
- \$ .2 M to OGA, for virus financial relief
- \$ .4 M to Menaul School, to honor its ministry in New Mexico
- \$ .4 M to a Property Disposal Reserve Fund, to deal with the costs of selling/shedding unneeded properties

Total is \$2.0 M.

The decision on how to allocate the Santa Fe sales proceeds lies with the A Corp President, after consultation with the PMA Executive Director. The A Corp President will take the proposed allocation to the A Corp Audit Legal and Risk Committee for their concurrence, and ultimately to the A Corp board for their ratification. The PMA Executive Director will consult with the PMAB chair and vice chair regarding the proposed allocation. However, no PMAB action is required.

Do I have this right?

Thanks,

K.

**Kathy Lueckert**

President  
Presbyterian Church (U.S.A.), A Corporation  
*Helping Ministries Flourish*  
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**PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION BOARD**

**April 14-15, 2020**

**From:** Kathy Lueckert <Kathy.Lueckert@pcusa.org>

**Sent:** Thursday, March 19, 2020 7:57 AM

**To:** Christopher Mason <Christopher.Mason@pcusa.org>; Bridget-Anne Hampden <Bridget-Anne.Hampden@pcusa.org>; Samuel Bonner <Samuel.Bonner@pcusa.org>; Thomas McNeill <Thomas.McNeill@pcusa.org>; Thomas Priest <Thomas.Priest@pcusa.org>; Julie Cox <Julie.Cox@pcusa.org>; Carol Winkler <Carol.Winkler@pcusa.org>; Bill Teng <William.Teng@pcusa.org>; Cynthia Campbell <Cynthia.Campbell@pcusa.org>; Sinthia Hernandez-Diaz <Sinthia.Hernandez-Diaz@pcusa.org>

**Cc:** Mike Kirk <Mike.Kirk@pcusa.org>; Ruth Gardner <Ruth.Gardner@pcusa.org>; Denise Hampton <Denise.Hampton@pcusa.org>; April Davenport <April.Davenport@pcusa.org>; Cynthia Embry <Cynthia.Embry@pcusa.org>; Diane Moffett <Diane.Moffett@pcusa.org>; J Herbert Nelson II <JHerbert.NelsonII@pcusa.org>; Kerry Rice <Kerry.Rice@pcusa.org>; Barry Creech <Barry.Creech@pcusa.org>

**Subject:** Proceeds from the Sale of Santa Fe Property

Good morning—

The sale of a property in Santa Fe (the old Plaza Resolano) is now completed. PCUSA received around \$2.0 million, after all was said and done. PMAB made the decision to sell the Santa Fe property in 2017, it was part of the work that transferred Ghost Ranch to the Foundation. PMAB took an action at that time that left the decision of how to allocate the Santa Fe sales proceeds to the President of A Corporation. April and Laurie Griffith did quite a bit of analysis of that decision, to see how that plays out in today's world. Laurie's conclusion is that the decision still lies with the A Corporation President. The 2017 action did stipulate that the proceeds support direct PMA mission work in New Mexico, if any exists. If not, then the A Corp Real Estate policy would give guidance on how to direct the proceeds.

I've consulted with my PMA and OGA colleagues about needs. We anticipate an income shortfall this year because of the coronavirus, in both unrestricted and per capita giving. The Santa Fe money is a god send in terms of having reserves to navigate the very uncertain waters we are in: one time funds for one time needs. My decision is to allocate \$1.3 million of the sales proceeds to coronavirus relief, across the A Corporation, and then to two other areas.

Here is how the sales proceeds will be divided:

\$1.0 million to PMA, for coronavirus relief due to anticipated reduced income

\$ .2 million to OGA, for coronavirus relief due to anticipated reduced income

\$ .1 million to A Corp, for support of national staff during the coronavirus crisis

\$ .4 million to Menaul School in Albuquerque, NM, to honor the 2017 PMAB action about work in New Mexico. This will be spread over four years.

\$ .3 million to a Property Disposition Reserve, contemplating the settlement of the Mary Holmes College issue and to assist with costs associated with other property dispositions.

I wanted to inform you of the decision. We had hoped to wait and talk about this at the April board meetings, but the coronavirus sped up the process.

May God protect you this day,

Kathy

**Kathy Lueckert**

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