

**ITEM B.102
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
	A. Finance		E. Corporate Property, Legal, Finance
X	B. Justice		F. PC(USA), A Corporation
	C. Leadership		G. Audit
	D. Worshiping Communities		H. Executive Committee
			J. Board Nominating & Governance Subcommittee
			P. Plenary

Subject: Dunggi Property (Lahore, Pakistan) Proceeds Redesignation

Recommendation:

That the Justice Committee recommend to the Board of Directors of Presbyterian Church (U.S.A.), A Corporation and its constituent corporations including, but not limited to, the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.), the adoption of the following resolution:

RESOLVED: That the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and its constituent corporations (hereinafter collectively referred to as “PCUSA”) including, but not limited to, the Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) (hereinafter “COEMAR”), hereby rescinds, upon the approval of this action, the following action taken at its September 26, 1997 meeting as such action relates to the property in Lahore, Pakistan known as the “Dunggi Property” and also known as Property Number “PKLA008” and “PCSIR Laboratory”(hereinafter the “Dunggi Property”):

On the recommendation of WMD [Worldwide Ministries Division], the following schedule for distribution of the proceeds from the sale of surplus property in Pakistan be adopted:

- a. 10% of the proceeds is to be set aside for transition expenses incurred in the transfer for the PCUSA properties to the Pakistan Property Trust.**
- b. The next 1 Crore Rupees are to be set aside in the Pastors’ Support Endowment under the terms adopted by the WMD in 50-06-96 through 54-06-96.**
- c. Contributions are to be made to the Pastors’ Subsidy Endowment until the principal of the endowment reaches 2 Crore Rupees provided the past contributions of the PCP to this or any similarly intended endowment are transferred to the management of the Pakistan Property Trust.**
- d. The remainder of the proceeds, if any, is to be divided equally between the Pension Plan for Presbyterian Ministers and Evangelists and the expenses of the PCUSA General Assembly activities related to Pakistan.**

and replaces this prior board designation on the use of the Dungi Property sale proceeds with the following designation:

“The Dungi Property proceeds may be used by Presbyterian Church (U.S.A.), A Corporation as seed money to cover the costs incurred to develop and implement a plan to (1) sell property not in active mission use by mission partners and (2) transfer title ownership of remaining PCUSA or COEMAR properties in Pakistan to mission partners. Such costs may include but are not limited to attorneys’ fees, commercial realtor fees, and consultant’s fees.”

Background:

The board action taken in 1997 was the result of a consultative process between the members of a board task force made up of elected members from both the mission committee (Worldwide Ministries Division Committee) and the corporate committee (Corporate and Administrative Services Committee) and the then World Mission area coordinator for the area which included Pakistan. It has taken since the late 1990s to secure the sale proceeds from the Dungi property. The proceeds were received in Presbyterian Church (U.S.A.), A Corporation’s PNC bank account August 14, 2015 and total approximately \$260,000.

COEMAR is on the title as the owner of approximately 60 properties in Pakistan.

Our contracted employee in Pakistan who has managed this property portfolio for us is retiring at the end of 2015, and World Mission believes the best thing to do at this time is to sign over title to most of the properties, and sell those that are not in use for ministry.

Approximately 55 of properties are in use by a ministry partner in Pakistan, and we wish to transfer title from COEMAR to a local partner (either the Church of Pakistan, Pakistan Education Board (PEB), or another ministry partner). We hope to sell the remaining 5 properties.

Pakistan is a very litigious society, such that many of the properties have legal claims against them and property transfer taxes are also high, which has been prohibitive in past efforts to transfer properties to mission partners. We have attempted to liquidate these properties twice in the past 20 years with very little success.

World Mission is taking a new approach to transfer properties to mission partners by engaging with commercial real estate firm with an office in Pakistan. We believe their commercial real estate expertise and network can help us achieve our objective.

With regard to mission partner engagement, Presbyterian World Mission has intentionally limited engagement with individuals and groups within global partner organizations related to properties in Pakistan owned by COEMAR. Cultural customs, practices and expectations inform us that until we have ordered our plan in thorough detail, it is unadvisable for us to enter into such communication. Use of these funds will enable us to put together a thorough plan so that we may fully engage all who will be impacted.