

**Report to the Presbytery of Transylvania  
December 3, 2005  
Trustees**

The Trustees of Presbytery received a request from the session and congregation of First Presbyterian Church, Lexington to approve the purchase and encumbering of rental property immediately adjacent to the church's property.

The church does not own any off street parking despite attempts over the last several years to acquire nearby property. The church does not plan to convert the adjacent property into parking, but sees its ownership as giving the church the opportunity, in Lexington's competitive downtown real estate market, to trade for property that could be used for parking. In the meantime, the church will continue renting the property as it is being rented today.

The property fronts on Market Street immediately adjacent to the church's property. The improvements are two buildings which contain a total of 12,000 square feet divided into 10 apartment units. Seven of the units are rented for a total monthly income of \$3300. If all ten units were rented the monthly income would total \$4300 to \$4400.

The purchase price is \$465,000; the church will pay 20% of the purchase price and borrow the rest from Central Bank, securing the loan with the property. The loan will be for either five years (at 6<sup>3</sup>/<sub>4</sub>% interest) or ten years (at 7 <sup>3</sup>/<sub>8</sub>% interest) amortized over 25 years. The monthly payments to the bank will total \$2700 to \$2800. The property has been inspected (including an environmental inspection) and the church is satisfied with the inspection reports. The church is entering into a three year capital campaign out of which it will pay the 20% noted above.

***Recommendation: The Trustees recommend to Presbytery that it approve First Presbyterian Church of Lexington's proposed purchase and mortgage of the real property fronting Market Street in Lexington immediately adjacent to the existing church property for the price of \$465,000.00, with the mortgage not to exceed 80% of the purchase price.***