

**Addendum to Financial Affairs Committee Report to Presbytery
February 5, 2026**

Elder James Lee, Chair

Presbytery of San Jose, at its October 23, 2025 meeting, authorized the Financial Affairs Committee (FAC) to secure a commercial real estate broker to affect the sale of the Watsonville Public House (WPH) — the physical property and assets.

Subsequently, at the December 17, 2025 meeting of Financial Affairs, the Committee deputized one of the FAC members and the executive staff to work with a commercial broker to begin the sale process.

This team, on behalf of the FAC, began its work with a commercial broker. The team reached the conclusion that, even under the best case scenario, the Presbytery's estimated loss could be at \$2.5 million or more.

That estimate is based on the total costs incurred for WPH property, equipment, construction, the carrying costs (WPH salaries, taxes, utilities) and the broker's sale commission. The team, understanding the significance of the possible estimated loss, requested a special meeting of the Financial Affairs and, on WED 2/04/2026, provided an update to the committee. Based on the update by the team, FAC moved to re-affirm the authorization to the team to proceed with the sale listing and to seek FAC's authorization to accept any purchase offer.

The work by the team has only recently begun and the completion of the sale may take many more months until we have a final outcome. The FAC, also realizing the significance of the possible estimated loss, is sharing this information with the Presbytery. The team will continue to keep FAC informed as the effort progresses and the FAC will report to the Council/Presbytery as appropriate. We pray for the wisdom of the Holy Spirit for the team as they work through this challenging process.