

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: Chapter 11
THE DIOCESE OF ST. CLOUD, Case No. 20-60337
a Minnesota religious corporation,
Debtor.

**NOTICE OF MOTION AND MOTION FOR APPROVAL OF STIPULATED
AGREEMENT PURSUANT TO FED. R. BANKR. P. 4001(d)**

TO: THE DEBTOR, THE UNITED STATES TRUSTEE, AND ALL OTHER PARTIES IN
INTEREST AS SPECIFIED IN LOCAL RULE 9013-3

1. Catholic Charities of the Diocese of St. Cloud (“Catholic Charities), by and through its undersigned counsel, respectfully moves the court for the relief requested below and gives notice herewith.

2. The court will hold a hearing on this motion at **10:00 a.m. on Thursday, October 29, 2020**. Parties interested in attending the hearing should contact Judge Kressel’s calendar clerk at (612) 664-5250 for the call-in information.

3. Any response to this motion must be filed and served no later than **October 24, 2020**, which is five (5) days before the time set for the hearing (including Saturdays, Sundays, and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, Federal Rule of Bankruptcy Procedure 5005 and Local Rule 1070-1. This is a core

proceeding pursuant to 28 U.S.C. § 157(b). The petition commencing this chapter 11 case was filed on June 15, 2020. This case is now pending in this court.

5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

6. This motion arises under 11 U.S.C. §§ 362(d) and 365. This motion is filed under Fed. R. Bankr. P. 4001(d) and Local Rules 9013-1 through 9019-1.

7. The debtor owns two parcels of real property located at 1726 7th Avenue South (“**Lot 1**”) and 375 16th Street South (“**Lot 2**” and, together with Lot 1, the “**Property**”) in St. Cloud, Minnesota, legally described as:

Lots 1 and 2, Block 1, Busch Terrace 2, Stearns County, Minnesota

Lot 1 is an 18-acre parcel with improvements that include the campus for the St. Cloud Children’s Home. Lot 2 is a 22-acre parcel of vacant land.

8. The debtor leases a portion of the Property to Catholic Charities pursuant to that certain Lease dated January 1, 1999 (as amended from time to time) (the “**Lease**”). A copy of the Lease is attached hereto as Exhibit A. The debtor and Catholic Charities are also parties to that certain Services Agreement dated September 15, 2020 (the “**Services Agreement**”), and that certain Settlement Agreement dated September 15, 2020 (the “**Settlement Agreement**”).

9. On September 24, 2020, the Order (I) Granting Expedited Relief, (II) Approving Settlement Agreement, and (III) Approving Lease Amendment and Services Agreement [Doc 84] (the “**Order**”) was entered in which the Lease was amended and extended through June 30, 2021. The Lease allows either party to terminate the Lease upon three (3) months written notice.

10. The debtor is marketing the Property for sale and the continuation of the Lease beyond December 31, 2020 is not required for a sale and will not assist the debtor in marketing or selling the Property. Catholic Charities has identified another property to relocate its

charitable operations to and desires to terminate the Lease effective 11:59 p.m. Prevailing Central Time on December 31, 2020.

11. The debtor and Catholic Charities have stipulated and agreed that the Lease shall be deemed terminated effective 11:59 p.m. Prevailing Central Time on December 31, 2020; and that, to the extent the Property is sold prior to December 31, 2020, any sale shall be subject to the Lease being assumed by the buyer subject to the effective termination on December 31, 2020 (the “Stipulation”). A copy of the Stipulation of the parties is attached hereto as “Exhibit B”.

12. Catholic Charities moves, under Rule 4001(d), for approval of the Stipulation.

WHEREFORE, Catholic Charities respectfully requests that the Lease shall be rejected and terminated effective December 31, 2020; and that, to the extent the Property is sold prior to December 31, 2020, that the Lease shall be assumed by the buyer subject to the terms and conditions of the Stipulation, and for such other and further relief as the Court deems just and equitable.

Dated this 15th day of October, 2020.

/e/ Jeffrey A. Peterson
Jeffrey A. Peterson, I.D. No. 387556
LATHROP GPM LLP
1010 West St. Germain St, Suite 500
St. Cloud, MN 56301
(320) 252-4414
Attorneys for Catholic Charities
of the Diocese of St. Cloud



LEASE

Lease made effective January 1, 1999, between [redacted] a corporation formed pursuant to § 315.16 of the Minnesota Statutes, [redacted] and The Catholic Charities of the Diocese of St. Cloud, a non-profit corporation organized under the laws of the State of Minnesota, herein referred to as Tenant.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Description of Premises. Landlord leases to Tenant the premises located in the City of St. Cloud, County of Stearns, State of Minnesota, and described on the attached Exhibit A. As used herein, the term "premises" refers to the real property above described and to any improvements located thereon from time to time during the term hereof.

2. Term. The term of this lease is One (1) year, beginning on January 1, 1999, and terminating on December 31, 1999, subject to the provisions of Section 13 below.

3. Rent. The total base rent under this lease is \$102,204.00. Tenant shall pay the Landlord that amount in installments of \$8,517.00 each month, beginning on January 10, 1999, with succeeding payments due on the 10th day of each month thereafter during the term of the lease, and until the total rent is paid in full.

4. Use of the Premises. The premises are to be used for the purposes of providing children's social services. Tenant shall restrict its use to such purposes and shall not use or permit the use of the premises for any other purpose without the written consent of the Landlord.

5. Improvements, Alterations and Repair.

5.1 Subject to the limitation that no substantial portion of the building on the demised premises shall be demolished or removed by Tenant without the prior written consent of Landlord, and, if necessary, of any Mortgagee, Tenant may at any time during the Lease term, subject to the conditions set forth below and at its own expense, make any alterations, additions, or improvements in and to the demised premises and the building. Alterations shall be performed in a workmanlike manner and shall not weaken or impair the structural strength, or lessen the value, of the building on the premises, or change the purposes for which the building, or any part thereof, may be used.

5.2 Conditions with respect to alterations, additions, or improvements are as follows:

- 5.2.1 Before commencement of any work, all plans and specifications shall be filed with and approved by all governmental departments or authorities having jurisdiction and any public utility company having an interest therein, and all work shall be done in accordance with requirements of local regulations. The plans and specifications for any alterations estimated to cost \$5,000.00, or more, shall be submitted to Landlord for written approval prior to commencing work.
- 5.2.2 Prior to commencement of any work, Tenant shall pay the amount of any increase in premiums on insurance policies provided for herein because of endorsements to be made covering the risk during the course of the work.
- 5.3 All alterations, additions, and improvements on or in the demised premises at the commencement of the term, and that may be erected or installed during the term, shall become part of the demised premises and the sole property of Landlord, except that all moveable trade fixtures installed by Tenant shall be and remain the property of Tenant.
- 5.4 Tenant shall, at all times during the lease and at Lessee's own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition, all buildings and all parts thereof, including, without limitation, replacement of the plumbing, electrical and heating systems, the structural portions of the buildings and foundations, roofs and sidewalks, and any improvements, additions, and alterations thereto, on the demised premises, and shall use all reasonable precaution to prevent waste, damage, or injury to the demised premises.
- 5.5 If any mechanic's or material men's lien, or similar lien, is filed against the premises as a result of Tenant's failure to make such payments required for repairs, alterations or improvements of any kind, Tenant shall have the lien discharged within ninety days or, in the alternative, post security for the payment of the lien as required by the provisions of § 514.10 of the Minnesota Statutes concerning the foreclosure of liens, for the purpose of having the premises released from the lien.
- 5.6 Tenant shall provide an annual written report of all repairs to the premises, including repairs by staff maintenance department of the Tenant.

6. Utilities. All applications and connections for necessary utility services on the demised premises shall be made in the name of Tenant only, and Tenant shall be solely liable for utility charges as they become due, including those for gas, electricity, and telephone services.

7. Taxes and Assessments.

- 7.1 Tenant shall pay and discharge when due, as part of the rental of the demised premises, all real estate taxes and installments of assessments levied against the demised premises and due during the term of this lease. Payment shall be made by delivering to the Landlord a draft or check payable to the taxing authority ten days before payment is due. Landlord shall have the right at all times during the term of this lease to pay all such real estate taxes and assessments and the amount paid, shall be additional rent due from the Tenant at the next rent due date after any such payment with interest thereon at the rate then being charged by a depository of the Landlord for commercial loans, from the date of payment by Landlord until the repayment thereof by Tenant. It is understood and agreed that if the Landlord shall exercise this option, it shall not be obligatory on Landlord to inquire into the validity of any such tax or assessment. Taxes and installments due the first and last year of the lease term shall be prorated.
- 7.2 Tenant shall have the right to contest the validity of any tax or special assessment payable by Tenant which it deems to have been illegally levied or assessed against the demised premises, and for that purpose shall have the right to institute such proceeding or proceedings in the name of Landlord as Tenant shall deem necessary, provided that the expenses incurred by reason thereof shall be paid by Tenant, and provided, further, that it is necessary to use the name of Landlord in carrying on such proceedings. If the nature of proceedings allows Tenant to withhold all or any portion of the tax due, the amount so withheld shall be paid to Landlord and held in escrow until the legal proceedings have ended.

8. Insurance.

- 8.1 During the term of the Lease and for any further time than Tenant shall hold the demised premises, Tenant shall obtain and maintain at his expense the following types of amounts of insurance:
- 8.1.1 Fire Insurance. Tenant shall keep all buildings, improvements, and equipment on the demised premises, including all alterations, additions, and improvements, insured against loss or damage by fire, with all standard extended coverage that may be required by any first mortgagee. The insurance shall be in an amount sufficient to prevent Landlord and Tenant from becoming co-insurers under provisions of applicable policies of insurance, but in any event in an amount not less than 100 percent of the full insurable value of the demised premises,

excluding the cost of excavation and of foundations. If at any time there is a dispute as to the amount of such insurance, the same shall be settled by arbitration.

8.1.2 Personal Injury and Property Damage Insurance. Insurance against liability for bodily injury and property damage in an amount of not less than \$500,000.00 for injury or death to a person, and not less than \$500,000.00 for injury or death resulting from any one accident, and \$100,000.00 for property damage in anyone accident, provided that these amounts of insurance may be satisfied by an excess coverage policy.

8.1.3 Other Insurance. Tenant shall provide and keep in force other insurance in amounts that may from time to time be required by Landlord against other insurable hazards as are commonly insured against for the type of business activity that Tenant will conduct.

8.2 All insurance provided by Tenant as required by this section shall be carried in favor of Landlord and Tenant as their respective interests may appear, and in the case of insurance against damage to the demised premises by fire or other casualty, shall provide that loss, if any, shall be adjusted with and be payable to Landlord. If requested by Landlord, any insurance against fire or other casualty shall provide that loss shall be payable to the holder under a standard mortgage clause. All insurance shall be written with responsible companies that Landlord shall approve. All policies shall require 30 days' notice by registered mail to Landlord of any cancellation or change affecting any interest of Landlord.

9. Condemnation. The rights and duties in the event of condemnation are as follows:

9.1 If the whole of the demised premises shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, this Lease shall cease and terminate as of the date on which title shall vest thereby in that authority, and the rent reserved hereunder shall be apportioned and paid up to that date.

9.2 If only a portion of the demised premises shall be taken or condemned, this Lease and the term hereof shall not cease or terminate, but the rent payable after the date on which Tenant shall be required to surrender possession of such portion shall be reduced in proportion to the decreased use suffered by Tenant as the parties may agree or by arbitration as provided herein.

9.3 In the event of any taking or condemnation in whole or in part, the entire

resulting award of consequential damages shall belong to Landlord without any deduction therefrom for the value of the unexpired term of this Lease or for any other estate or interest in the demised premises now or later vested in Tenant. Tenant assigns to Landlord all his right, title and interest in any and all such awards.

- 9.4 In the event of a partial taking, Tenant shall promptly proceed to restore the remainder of the building on the demised premises to a self-contained architectural unit, and Landlord shall pay to Tenant the cost of restoration but in no event to exceed a sum equal to the amount of the separate award made to and received by Landlord for consequential damages. In the event there is no separate award for consequential damage, the value shall be fixed and settled by arbitration as herein provided. The balance of any separate award or allocated amount not so used shall belong to and be retained by Landlord as its sole property.
- 9.5 In case of any governmental action not resulting in the taking or condemnation of any portion of the demised premises but creating a right to compensation therefor, or if less than a fee title to all or any portion of the demised premises shall be taken or condemned by any governmental authority for temporary use or occupancy, this Lease shall continue in full force and effect without reduction or abatement of rent, and the rights of the parties shall be unaffected by the other provisions of this section, but shall be governed by applicable law.

10. Landlord's Right of Entry. Tenant shall permit Landlord, its agents and other employees, to have access to and to enter the leased premises at all reasonable and necessary times to inspect the premises for any purpose connected with the repair, improvement, care and management of the premises, or for any other purpose reasonably connected with the Landlord's interest in the premises and to perform any work or other act found necessary on such inspection.

11. Subordination to Mortgage. This Lease and all rights of Tenant hereunder shall be subject and subordinate to the lien of any and all mortgages that may now or hereafter affect the demised premises, or any part thereof, and to any and all renewals, modifications, or extensions of any such mortgages. Tenant shall on demand execute, acknowledge, and deliver to Landlord, without expense to Landlord, any and all instruments that may be necessary or proper to subordinate this Lease and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification, or extension, and if Tenant shall fail at any time to execute, acknowledge, and deliver any such subordination instrument, Landlord in addition to any other remedies available in consequence thereof, may execute, acknowledge, and deliver the same as Tenant's attorney in fact and in Tenant's name. Tenant hereby irrevocably makes, constitutes, and appoints Landlord, its successors and assign, his attorney in fact for that purpose.

12. Transferring or Encumbering Interest. Tenant shall not assign this lease or any interest herein, or sublet the demised premises or any part thereof or any right or privilege appurtenant thereto, nor allow any person to occupy or use the premises or any part thereof, without first obtaining the Landlord's written consent. Landlord's consent to any one assignment, sublease, or occupancy or use shall not be a consent to any subsequent assignment or sublease or occupancy or use. Any unauthorized assignment or sublease shall be void and shall be grounds for termination of the lease at Landlord's option.

13. Automatic Renewal. This lease will be automatically renewed for an additional term of one year, unless terminated as noted below. Each new term will be on the same terms and conditions as provided in this lease except that the rent shall be adjusted as follows: The rent specified in this lease shall be subject to increase in accordance with changes in the Consumer Price Index or Four (4%) percent, whichever is greater. The Consumer Price Index shall mean the average for "all items" shown on the "United States city average for urban wage earners and clerical workers, all items, groups, subgroups, and special groups of items as promulgated by the Bureau of Labor Statistics of the United States Department of Labor" using the year 1993 as a base of 100.

- 13.1 This lease shall automatically be renewed for terms of one (1) year from the date of expiration of the initial term or from the date of expiration of each renewed term, as the case may be, without the execution of any further lease or instrument, subject to the provisions of this § 13.
- 13.2 At least 2 months prior to the expiration of the initial term and at least 2 months prior to the expiration of any renewed term, Tenant shall notify Landlord in writing of the election to terminate this lease.
- 13.3 Rent for any renewed term shall be increased in accordance with the CPI or percentage of increase noted at the beginning of this section.

14. Indemnity. Tenant shall indemnify Landlord against all expenses, liabilities, and claims of every kind, including reasonable attorney's fees, incurred by Landlord, brought or made by or on behalf of any person or entity arising out of either (1) a failure by Tenant to perform any of the terms or conditions of this Lease, (2) any injury or damage happening on or about the demised premises, (3) failure to comply with any law of any governmental authority, or (4) any mechanic's lien or security interest filed against the demised premises or equipment, materials, or alterations of buildings or improvements thereon.

15. Default. Each of the following events shall constitute a default of this Lease by Tenant:

- 15.1 If Tenant shall fail to pay Landlord any rent or additional rent when the rent shall become due.
- 15.2 If Tenant shall fail to perform or comply with any of the conditions of this

Lease and if the nonperformance shall continue for a period of 10 days after notice thereof by Landlord to Tenant or, if the performance cannot be reasonably had within the 10-day period, Tenant shall not in good faith have commenced performance within the 10-day period and shall not diligently proceed to completion of performance.

- 15.3 If Tenant shall vacate or abandon the demised premises.
- 15.4 If this Lease or the estate of Tenant hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

16. Effect of Default. In the event of any default hereunder, as set forth in Section 14.0 above, the rights of Landlord shall be as follows:

- 16.1 Landlord shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Tenant hereunder, by giving to Tenant not less than 10 days' notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title, and interest of Tenant hereunder, shall terminate in the same manner and with the same force and effect, except as to Tenant's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.
- 16.2 Landlord may elect, but shall not be obligated, to make any payment required of Tenant herein or comply with any agreement, term, or condition required hereby to be performed by Tenant, and Landlord shall have the right to enter the demised premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Landlord shall not be deemed to waive or release the default of Tenant or the right of Landlord to take any action as may be otherwise permissible hereunder in the case of any default.
- 16.3 Landlord may re-enter the premises immediately and remove the property and personnel of Tenant, and store the property in a public warehouse or at a place selected by Landlord, at the expense of Tenant. After re-entry, Landlord may terminate the Lease on giving 10 days' written notice of termination to Tenant. Without the notice, re-entry will not terminate the Lease. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the balance of this Lease over the reasonable rental value of the premises for the remainder of the Lease term, which sum shall be immediately due Landlord from Tenant.

- 16.4 After re-entry, Landlord may re-let the premises or any part thereof for any term without terminating the Lease, at the rent and on the terms as Landlord may choose. Landlord may make alterations and repairs to the premises. The duties and liabilities of the parties if the premises are re-let as provided herein shall be as follows:
- 16.4.1 In addition to Tenant's liability to Landlord for breach of the Lease, Tenant shall be liable for all expenses of the re-letting, for the alterations and repairs made, and for the difference between the rent received by Landlord under the new Lease agreement and the rent installments that are due for the same period under this Lease.
- 16.4.2 Landlord shall have the right, but shall not be required, to apply the rent received from re-letting the premises (1) to reduce the indebtedness of Tenant to Landlord under the Lease, not including indebtedness for rent, (2) to expenses of the re-letting and alterations and repairs made, (3) to rent due under this Lease, or (4) to payment of future rent under this Lease as it becomes due.
- 16.4.3 After re-entry, Landlord may procure the appointment of a receiver to take possession and collect rents and profits of the business of Tenant, and, if necessary to collect the rents and profits. The receiver may carry on the business of Tenant and take possession of the personal property used in the business of Tenant, including inventory, trade fixtures, and furnishings, and use them in the business without compensating Tenant. Proceedings for appointment of a receiver by Landlord, or the appointment of a receiver and the conduct of the business of Tenant by the receiver, shall not terminate and forfeit this Lease unless Landlord has given written notice of termination to Tenant as provided herein.

17. Destruction of Premises. In the event of a partial destruction of the premises during the term from any cause, Lessee shall forthwith repair the same, provided the repairs can be made within 30 days under the laws and regulations of applicable governmental authorities. Any partial destruction shall neither annul nor void this Lease, except that Tenant shall be entitled to a proportionate reduction of rent while the repairs are being made, any proportionate reduction being based on the extent to which the making of repairs shall interfere with the business carried on by Tenant in the premises. If the repairs cannot be made in the specified time, Landlord may, at Landlord's option, make repairs within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately rebated as previously set forth in this section. In the event that Landlord does not elect to make repairs that cannot be made in the specified time, or those repairs cannot be made under the laws and regulations of the applicable governmental authorities, this Lease may be terminated at the option of either party. Any dispute between Landlord and Tenant relative

to the provisions of this section shall be subject to arbitration as provided herein.

18. Arbitration. Any controversy which, by the terms of this lease, is to be determined by arbitration, shall be submitted to arbitration under the laws of the State of Minnesota. The expenses of arbitration will be shared equally between the Landlord and the Tenant. The decision or award may be entered in any court having jurisdiction.

19. St. Cloud Childrens' Home Account. Upon receipt of each basic rent payment, Landlord agrees to deposit 50% into a separate interest bearing account which shall be known as the "S.C.C.H Renovation Fund". At all times this fund is the sole property of and subject to the control of Landlord. It is the intent that this fund shall be available for repair, maintenance and construction, required by Tenant as provided in 5.0 above, subject to the approval of the Landlord. Tenant may make application to Landlord for reimbursement from these funds by presenting written certification that the Tenant's Board of Directors have approved the application for such reimbursement. No more than 90% of the accrued account shall be paid in any calendar year. Any funds not paid in a calendar year shall be accumulated in this account. At the termination of this lease, and any extensions, there are no restrictions on this account which apply to the Landlord.

20. Non-Waiver of Conditions. The waiver by Landlord of the strict performance of any of the terms and conditions of this lease in any one instance shall not be deemed a subsequent waiver of any subsequent breach or default in any of the terms and conditions of the lease.

21. Miscellaneous.

21.1 Notice. All notices to be given with respect to this lease shall be in writing. The notice may be sent by certified mail, postage prepaid, return receipt requested, or may be delivered in person. Every notice to be given shall be delivered to the addresses noted below.

To Landlord: 214 South Third Avenue
St. Cloud, Minnesota 56301

To Tenant: 1730 South Seventh Avenue
St. Cloud, Minnesota 56301

Each of the parties shall give written notice to the other of any change in the foregoing addresses.

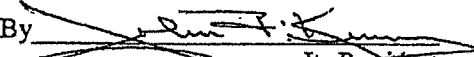
21.2 Surrender of Possession. Tenant shall, on the last day of the term, or on earlier termination and forfeiture of the Lease, peaceably and quietly surrender and deliver the demised premises to Landlord free of sub-tenancies, including all buildings, additions, and improvements constructed or placed thereon by Tenant, except moveable trade fixtures, all in good condition and repair. Any

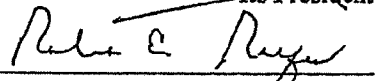
trade fixtures or personal property not used in connection with the operation of the demised premises and belonging to Tenant, if not removed at the termination or default, and if Landlord shall so elect, shall be deemed abandoned and become the property of Landlord without any payment or offset therefor. Landlord may remove such fixtures or property from the demised premises and store them at the risk and expense of Tenant if Landlord shall not so elect. Tenant shall repair and restore all damage to the demised premises caused by the removal of equipment, trade fixtures, and personal property.

- 21.3 Total Agreement: Amendment. This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. Either party may request a verification of the amount of the rent for a renewed term by a letter agreement signed by the parties. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns by both parties.
- 21.4 Applicable Law. This agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- 21.5 Time of the Essence. Time is of the essence in all provisions of this Lease.

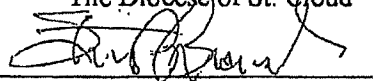
IN TESTIMONY WHEREOF, the parties have executed this Lease at St. Cloud, Minnesota, the day and year first above written.

The Diocese of St. Cloud

By 
Its President

And 
Its Secretary
LANDLORD

The Catholic Charities of
The Diocese of St. Cloud

By 
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF)

On this 16th day of April, 1999, before me, a notary public within and for said county, personally appeared John F. Kinney and Robert E. Rolfes, to me known to be the persons described in, and who executed the foregoing instrument, and acknowledged that they executed the same as President and Secretary, respectively, of The Diocese of St. Cloud.

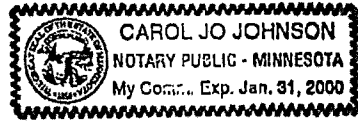
Sister Mary Maudersach
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF)

On this 16th day of April, 1999, before me, a notary public within and for said county, personally appeared Steven Bresnahan to me known to be the person described in, and who executed the foregoing instrument, and acknowledged that he executed the same as Executive Director of The Catholic Charities of the Diocese of St. Cloud.

Carol Jo Johnson
Notary Public

THIS INSTRUMENT DRAFTED BY:
Schmitt & Janson Law Office
124 East St. Germain
P. O. Box 1752
St. Cloud, MN 56302
(320) 251-9500



AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and

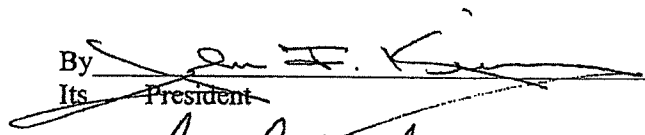
WHEREAS, it is the desire of the parties to modify the Lease for a period of one year.

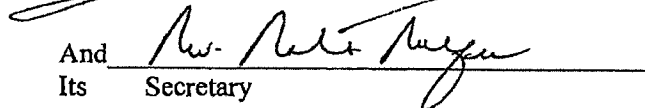
NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2009, and terminating June 30, 2010, Paragraph 19 of the Lease shall be amended to provide that Landlord shall not be required to deposit 50% of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund". After June 30, 2010, Paragraph 19 of the Lease shall revert to its original form.
2. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By 
 Its ~~President~~

And 
 Its Secretary

CATHOLIC CHARITIES OF THE DIOCESE OF ST. CLOUD

By 
 Its Executive Director

AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and

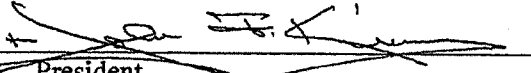
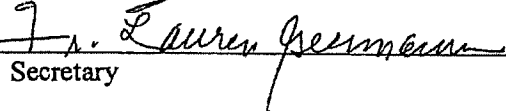
WHEREAS, it is the desire of the parties to modify the Lease for a period of one year.

NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2010, and terminating June 30, 2011, Paragraph 19 of the Lease shall be amended to provide that Landlord shall not be required to deposit 50% of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund". After June 30, 2011, Paragraph 19 of the Lease shall revert to its original form.
2. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By 
Its President
And 
Its Secretary

**CATHOLIC CHARITIES OF
THE DIOCESE OF ST. CLOUD**

By 
Its Executive Director



THE CHANCERY

214 Third Avenue South • P.O. Box 1248 • St. Cloud, MN • 56302-1248 • 320-251-2340 • fax: 320-251-0470

AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and

WHEREAS, it is the desire of the parties to modify the Lease for a period of one year.

NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2011, and terminating June 30, 2012, Paragraph 19 of the Lease shall be amended to provide that Landlord shall be required to deposit \$833.33 of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund". After June 30, 2012, Paragraph 19 of the Lease shall revert to its original form.
2. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By [Signature]
Its President

And [Signature]
Its Secretary

**CATHOLIC CHARITIES OF
THE DIOCESE OF ST. CLOUD**

By [Signature]
Its Executive Director

JUN 01 2012

AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and


WHEREAS, it is the desire of the parties to modify the Lease for a period of one year.

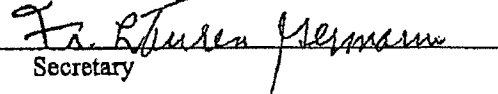
NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2012, and terminating June 30, 2013, Paragraph 19 of the Lease shall be amended to provide that Landlord shall be required to deposit \$2083.34 of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund". After June 30, 2013, Paragraph 19 of the Lease shall revert to its original form.
2. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By 
Its President

And 
Its Secretary

CATHOLIC CHARITIES OF
THE DIOCESE OF ST. CLOUD

By 
Its Executive Director

AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and

WHEREAS, it is the desire of the parties to modify the Lease as follows:

NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2013, and terminating June 30, 2014, Paragraph 19 of the Lease shall be amended to provide that Landlord shall be required to deposit \$2000.00 of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund".
2. Paragraph 13 of the Lease, as amended, is deleted in its entirety and replaced as follows: "13. Holdover. If, upon the end of term of this Lease, as amended, no party has given the other a notice of termination of the lease, the lease shall continue on a month to month basis under the same terms as those in effect during the previous term."
3. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By + Donald J. Kettler
Its President

And Jane Martin
Its Secretary

CATHOLIC CHARITIES OF
THE DIOCESE OF ST. CLOUD

By _____

JUN 04 2014

AMENDMENT TO LEASE

WHEREAS, The Diocese of St. Cloud (The Diocese), as Landlord, and Catholic Charities of the Diocese of St. Cloud (Catholic Charities), as Tenant, entered into a Lease dated January 1, 1999, which Lease is incorporated herein by reference, and by which The Diocese leased real estate and buildings commonly known as the St. Cloud Children's Home to Catholic Charities; and,

WHEREAS, the Lease has renewed annually since that time pursuant to Paragraph 13 of the Lease; and

WHEREAS, it is the desire of the parties to modify the Lease as follows:

NOW, THEREFORE, it is agreed upon between the parties as follows:

1. For a period of one year, starting July 1, 2014, and terminating June 30, 2015, Paragraph 19 of the Lease shall be amended to provide that Landlord shall be required to deposit \$2000.00 of each month's basic rent payment into a separate interest bearing account known as the "S.C.C.H. Renovation Fund".
2. Paragraph 13 of the Lease, as amended, is deleted in its entirety and replaced as follows: "13. Holdover. If, upon the end of term of this Lease, as amended, no party has given the other a notice of termination of the lease, the lease shall continue on a month to month basis under the same terms as those in effect during the previous term."
3. All remaining provisions of the Lease shall remain in effect and are not modified by paragraph 1 above.

IN TESTIMONY WHEREOF, the parties have executed this Amendment to Lease

THE DIOCESE OF ST. CLOUD

By + Donald J. Kettler
Its President

And Jane Martin
Its Secretary

CATHOLIC CHARITIES OF
THE DIOCESE OF ST. CLOUD

By Steph Burch
Its Executive Director

AMENDMENT TO LEASE

This Amendment to Lease is made as of July 1, 2017 (the "Effective Date"), by and between the Diocese of St. Cloud ("Landlord") and Catholic Charities of the Diocese of St. Cloud ("Tenant").

RECITALS

A. Landlord and Tenant have previously entered into a Lease dated as of January 1, 1999, by which Landlord leased to Tenant the following described real property, together with certain of the improvements located thereon:

Lots 1 and 2, Block 1, Busch Terrace 2, Stearns County, Minnesota (the "Property").

B. The Lease has been amended from time to time by the parties. Copies of the Lease and the prior amendments to the Lease are attached to this Amendment to Lease as Exhibit A (collectively, the "Lease").

C. At its sole expense, Tenant has previously constructed material improvements on the Property. Such improvements include, but are not limited to, a secure residential facility of approximately 18,466 square feet at a cost of approximately \$4,700,000.00 (the "Secure Facility").

D. Tenant has not paid Landlord any rent for the Secure Facility in light of Tenant's investment in such improvements.

E. The parties have previously agreed to defer the payment of rent from the Effective Date under the Lease by Tenant, pending the negotiation of this Amendment to Lease (the "Deferral Period"). During the Deferral Period, Tenant has continued to pay all operating expenses for the Property attributable to that portion of the Property other than the Leased Premises defined below (the "Ongoing Operating Expenses"). Through April 30, 2018, the Ongoing Operating Expenses paid by Tenant in excess of the Base Rent and Operating Expenses set forth in this Amendment to Lease are \$76,687.00. Accordingly, Landlord has agreed to reimburse Tenant the amount owed Tenant through April 30, 2018, together with any additional amount required to reimburse Tenant for Ongoing Operating Expenses paid by Tenant in excess of the Base Rent and Ongoing Operating Expenses incurred or paid by Tenant for the period of May 1, 2018, through May 31, 2018, in consideration of the execution of this Amendment to Lease.

F. The parties desire to further modify the Lease as set forth in this Amendment to Lease.

AGREEMENT

1. Paragraph 1 of the Lease is hereby amended to read as follows:

Description of Premises. Landlord leases to Tenant those portions of the Property described and known as (a) the Busch Building; (b) Old Cottage # 2; (c) all that portion of the Property lying north of the historical buildings and improvements located on the Property; and (d) the Secure Facility (collectively, the "Leased Premises"). For purposes of the computation of the Base Rent under the Lease, the Leased Premises consist of 29,133 square feet.

2. Paragraph 2 of the Lease is hereby amended to read as follows:

Term. The term of this lease is Two (2) years, beginning on July 1, 2017, and terminating on June 30, 2019, subject to the provisions of Section 13 of the Lease, notwithstanding any prior amendments to the Lease."

3. Paragraph 3 of the Lease is hereby amended to read as follows:

Rent. Tenant shall pay Landlord installments of \$9,711.00 each month beginning on July 10, 2017, with succeeding payments due on the 10th day of each month thereafter during the term of the lease. No rent shall be required of Tenant for the Secure Facility. Notwithstanding the foregoing, Tenant may offset the Ongoing Operating Expenses against such base rent."

4. Paragraph 4 of the Lease is hereby amended to read as follows:

Use of the Premises. The premises are to be used for the purposes of providing children's social services, adult social services and related administrative and support services. Tenant shall restrict its use to such purposes and shall not use or permit the use of the premises for any other purposes without the written consent of the Landlord."

5. Paragraph 5.4 of the Lease is hereby deleted in its entirety.

6. Paragraph 6 of the Lease is hereby amended to read as follows:

Utilities and Operating Expenses. In addition to the base rent, Tenant shall pay Landlord installments of \$5,394.55 each month beginning on July 10, 2017, with succeeding payments due on the 10th day of each month thereafter during the term of the lease as Tenant's share of gas, electricity, and insurance for the Leased Premises (the "Leased Premises Expenses"). In addition to the Leased Premises Expenses, Tenant shall be

responsible for all repairs, maintenance and grounds maintenance for the Property (the "Repairs and Maintenance Expenses"). Landlord will reimburse Tenant on a monthly basis for the repairs, maintenance and grounds maintenance costs and expenses incurred or paid by Tenant relating to that portion of the Property not occupied by Tenant through a payment of \$8,810.98 per month beginning June 1, 2018, and continuing throughout the term of the Lease. Should the total of the Leased Premises Expenses and Repairs and Maintenance Expenses exceed \$169,442.00 (the "Maintenance Cap") during either of the period of (i) July 1, 2017, through June 30, 2018, or (ii) July 1, 2018, through June 30, 2019, any amounts in excess of the Maintenance Cap shall be allocated between the parties with Landlord being responsible for 62.4% of such excess amount and Tenant being responsible for 37.6% of such excess amount. Notwithstanding the foregoing, Tenant may offset the Ongoing Operating Expenses against such operating costs and expenses."

7. Paragraph 13 of the Lease is hereby amended to read as follows, notwithstanding any prior amendment to the Lease:

"Automatic Renewal/Termination. This lease will be automatically renewed for an additional term of one year, unless terminated as noted below. Each new term will be on the same terms and conditions as provided in this lease except that the rent shall be adjusted as follows: The rent specified in this lease shall be subject to increase in accordance with changes in the Consumer Price Index. The Consumer Price Index shall mean the average for "all items" shown on the "United States city average for urban wage earners and clerical workers, all items, groups, subgroups, and special groups of items as promulgated by the Bureau of Labor Statistics of the United States Department of Labor" using the year 1993, as a base of 100.

- 13.1 This lease shall automatically be extended for terms of one (1) year from the date of expiration of the initial term or from the date of expiration of the extended term during, as the case may be, without the execution of any further lease or instrument, subject to the provisions of this § 13.
- 13.2 At least One (1) month prior to the expiration of the initial term and at least One (1) month prior to the expiration of any extended term, either party shall notify the other party in writing of the election to terminate this lease.
- 13.3 Rent for any extended term shall be increased in accordance with the CPI noted at the beginning of this section.

Notwithstanding the foregoing, either party may at any time during the term of the lease notify the other party of its intention to terminate the lease, provided such notice is provided at least Three (3) months prior to the effective date of any such termination.”

8. Paragraph 19 of the Lease is hereby deleted in its entirety.

9. The Recitals set forth above are hereby incorporated into and made a part of this Agreement and the parties acknowledge and agree that each of the recitals is true and correct.

IN WITNESS WHEREOF, the parties have executed this Amendment to Lease as of the date set forth above.

[Signature Pages Follow.]

DIOCESE OF ST. CLOUD

By Donald J. Kettler
Its President

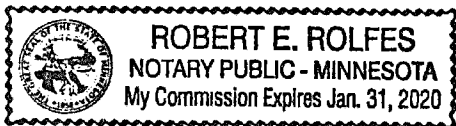
By Jane M. Marin
Its Secretary

STATE OF MINNESOTA)
)
COUNTY OF STEARNS)

I HEREBY CERTIFY that on this 10 day of May, 2018, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Donald J. Kettler and Jane M. Marin, who, being duly sworn did say that they are the President and Secretary, respectively, of the DIOCESE OF ST. CLOUD, a Minnesota religious corporation, and who is known to me (or satisfactorily proven) to be the persons whose names are subscribed to the foregoing instrument, and who acknowledged that said instrument was executed on behalf of said corporation by authority of its Board of Directors and for the purposes therein contained.

IN WITNESS my hand and notary seal.

Robert E. Rolfes
Notary Public



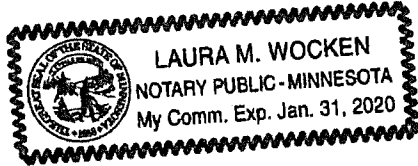
CATHOLIC CHARITIES OF THE
DIOCESE OF ST. CLOUD

By [Signature]
Its Executive Director

STATE OF MINNESOTA)
)
COUNTY OF STEARNS)

I HEREBY CERTIFY that on this 8th day of May, 2018, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Stephen R. Pareja, who, being duly sworn did say that s/he is the Executive Director of CATHOLIC CHARITIES OF THE DIOCESE OF ST. CLOUD, a Minnesota nonprofit corporation, and who is known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and who acknowledged that said instrument was executed on behalf of said corporation by authority of its Board of Directors and for the purposes therein contained.

IN WITNESS my hand and notary seal.



[Signature]
Notary Public

INSTRUMENT DRAFTED BY:
Phillip L. Kunkel (#58981)
Gray, Plant, Mooty, Mooty &
Bennett, P.A.
1010 West St. Germain, Suite 500
St. Cloud, MN 56301
Phone: 320-252-4414

AMENDMENT TO LEASE

This Amendment to Lease is made as of July 1, 2019 (the "Effective Date"), by and between the Diocese of St. Cloud ("Landlord") and Catholic Charities of the Diocese of St. Cloud "Tenant").

RECITALS

- A. Landlord and Tenant have previously entered into a Lease dated as of January 1, 1999, by which Landlord leased to Tenant the following described real property, together with certain of the improvements located thereon:

Lots 1 and 2, Block 1, Busch Terrace 2, Stearns County, Minnesota (the "Property").

- B. The Lease has been amended from time to time by the parties. Copies of the Lease and the prior amendments to the Lease are attached to this Amendment to Lease as Exhibit A (collectively, the "Lease").
- C. At its sole expense, Tenant has previously constructed material improvements on the Property. Such improvements include, but are not limited to, a secure residential facility of approximately 18,466 square feet at a cost of approximately \$4,700,000.00 (the "Secure Facility").
- D. Tenant has not paid Landlord any rent for the Secure Facility in light of Tenant's investment in such improvements.
- E. The parties desire to further modify the Lease as set forth in this Amendment to Lease.

AGREEMENT

1. Paragraph 1 of the Lease is hereby amended to read as follows:

"Description of Premises. Landlord leases to Tenant those portions of the Property described and known as (a) the old school and administration building, garage and maintenance area, IT Room; (b) Old Cottage # 2; (c) all that portion of the Property lying north of the historical buildings and improvements located on the Property; and (d) the Secure Facility (collectively, the "Leased Premises"). For purposes of the computation of the Base Rent under the Lease, the Leased Premises consist of 23, 743 square feet

2. Paragraph 2 of the Lease is hereby amended to read as follows:

"Term. The term of this lease is one (1) year, beginning on July 1, 2019, and terminating on June 30, 2020, subject to the provisions of Section 13 of the Lease, notwithstanding any prior amendments to the Lease."

3. Paragraph 3 of the Lease is hereby amended to read as follows:

"Rent. Tenant shall pay Landlord installments of 7,914.00 each month beginning on July 10, 2019, with succeeding payments due on the 10th day of each month thereafter during the term of the lease. No rent shall be required of Tenant for the Secure Facility. Notwithstanding the foregoing, Tenant may offset the Ongoing Operating Expenses against such base rent." (The monthly net payment by Tenant to Landlord after all adjustments below is \$3,155.00).

4. Paragraph 4 of the Lease is hereby amended to read as follows:

"Use of the Premises. The premises are to be used for the purposes of providing children's social services, adult social services and related administrative and support services. Tenant shall restrict its use to such purposes and shall not use or permit the use of the premises for any other purposes without the written consent of the Landlord."

5. Paragraph 5.4 of the Lease is hereby deleted in its entirety.

6. Paragraph 6 of the Lease is hereby amended to read as follows:

"Utilities and Operating Expenses. In addition to the base rent, Tenant shall pay Landlord installments of \$ 5,066.00 each month beginning on July 10, 2019, with succeeding payments due on the 10th day of each month thereafter during the term of the lease as Tenant's share of gas, electricity, and insurance for the Leased Premises (the "Leased Premises Expenses"). In addition to the Leased Premises Expenses, Tenant shall be responsible for all repairs, maintenance and grounds maintenance for the Property (the "Repairs and Maintenance Expenses"). Landlord will reimburse Tenant on a monthly basis for the repairs, maintenance and grounds maintenance costs and expenses incurred or paid by Tenant relating to that portion

of the Property not occupied by Tenant through a payment of \$9,825.00 per month beginning July 10, 2019, and continuing throughout the term of the Lease. Should the total of the Leased Premises Expenses and Repairs and Maintenance Expenses exceed \$182,275.00 (the "Maintenance Cap") during either of the period of (i) July 1, 2019, through June 30, 2020, any amounts in excess of the Maintenance Cap shall be allocated between the parties with Landlord being responsible for 64.6% of such excess amount and Tenant being responsible for 35.4% of such excess amount. Notwithstanding the foregoing, Tenant may offset the Ongoing Operating Expenses against such operating costs and expenses."

7. Paragraph 13 of the Lease is hereby amended to read as follows, notwithstanding any prior amendment to the Lease:

"Automatic Renewal/Termination. This lease will be automatically renewed for an additional term of one year, unless terminated as noted below. Each new term will be on the same terms and conditions as provided in this lease except that the rent shall be adjusted as follows: The rent specified in this lease shall be subject to increase in accordance with changes in the Consumer Price Index. The Consumer Price Index shall mean the average for "all items" shown on the "United States city average for urban wage earners and clerical workers, all items, groups, subgroups, and special groups of items as promulgated by the Bureau of Labor Statistics of the United States Department of Labor" using the year 1993, as a base of 100.

13.1 This lease shall automatically be extended for terms of one (1) year from the date of expiration of the initial term or from the date of expiration of the extended term during, as the case may be, without the execution of any further lease or instrument, subject to the provisions of this § 13.

13.2 At least One (1) month prior to the expiration of the initial term and at least One (1) month prior to the expiration of any extended term, either party shall notify the other party in writing of the election to terminate this lease.

13.3 Rent for any extended term shall be increased in accordance with the CPI noted at the beginning of this section.

Notwithstanding the foregoing, either party may at any time during the term of the lease notify the other party of its intention to terminate the lease, provided such notice is provided at least Three (3) months prior to the effective date of any such termination."

8. Paragraph 19 of the Lease is hereby deleted in its entirety.
9. Neither Landlord or Tenant shall be deemed to waive nor shall either party be estopped from raising any defenses or asserting any claims in the current action pending in the Stearns County District Court, File # 73-cv-18-5584 (the "Action"). In addition, neither Landlord nor Tenant shall be deemed to have waived nor shall either party be estopped from raising any defenses or asserting any claims in the Action as a result of any prior actions or lease accommodations

made by either party. To the extent that Tenant has overpaid rent to Landlord before the execution of this Amendment to Lease, Tenant shall be permitted to credit future payments with such overpayment. The Recitals set forth above are hereby incorporated into and made a part of this Agreement and the parties acknowledge and agree that each of the recitals is true and correct.

IN WITNESS WHEREOF, the parties have executed this Amendment to Lease as of the date set forth above.

[Signature Pages Follow.]

DIOCESE OF ST. CLOUD

By Donald J. Kettler
Its President

By Jane M. Marrin
Its Secretary

STATE OF MINNESOTA)
)
COUNTY OF STEARNS)

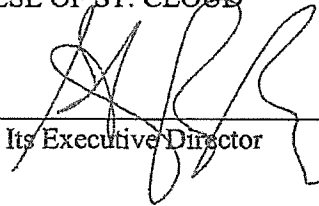
I HEREBY CERTIFY that on this 19th day of Sept, 2019, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Donald J. Kettler and Jane M. Marrin, who, being duly sworn did say that they are the President and Secretary, respectively, of the DIOCESE OF ST. CLOUD, a Minnesota religious corporation, and who is known to me (or satisfactorily proven) to be the persons whose names are subscribed to the foregoing instrument, and who acknowledged that said instrument was executed on behalf of said corporation by authority of its Board of Directors and for the purposes therein contained.

IN WITNESS my hand and notary seal.



Theresa J. Voigt
Notary Public

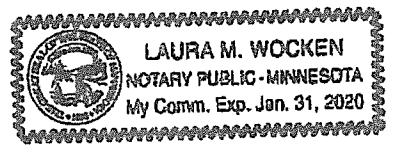
CATHOLIC CHARITIES OF THE
DIOCESE OF ST. CLOUD

By  _____
Its Executive Director

STATE OF MINNESOTA)
)
COUNTY OF STEARNS)

I HEREBY CERTIFY that on this 19th day of September, 2019, before me, the undersigned Notary Public within and for said County and State, personally appeared Stephen R. Pareja, who being duly sworn did say that s/he is the Executive Director of CATHOLIC CHARITIES OF THE DIOCESE OF ST. CLOUD, a Minnesota nonprofit corporation, and who is known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and who acknowledged that said instrument was executed on behalf of said corporation by authority of its Board of Directors and for the purposed therein contained.

IN WITNESS my hand and notary seal.



Laura M Wocken
Notary Public

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: Chapter 11
THE DIOCESE OF ST. CLOUD, Case No. 20-60337
a Minnesota religious corporation,
Debtor.

STIPULATION

IT IS HEREBY STIPULATED AND AGREED between the debtor The Diocese of St. Cloud (the “**Debtor**”) and Catholic Charities of the Diocese of St. Cloud (“**Catholic Charities**”) that:

1. The Debtor owns two parcels of real property located at 1726 7th Avenue South (“**Lot 1**”) and 375 16th Street South (“**Lot 2**” and, together with Lot 1, the “**Property**”) in St. Cloud, Minnesota, legally described as:

Lots 1 and 2, Block 1, Busch Terrace 2, Stearns County, Minnesota

Lot 1 is an 18-acre parcel with improvements that include the campus for the St. Cloud Children’s Home. Lot 2 is a 22-acre parcel of vacant land.

2. The Debtor leases a portion of the Property to Catholic Charities pursuant to that certain Lease dated January 1, 1999 (as amended from time to time) (the “**Lease**”). The Debtor and Catholic Charities are also parties to that certain Services Agreement dated September 15, 2020 (the “**Services Agreement**”), and that certain Settlement Agreement dated September 15, 2020 (the “**Settlement Agreement**”).

3. On September 24, 2020, the Order (I) Granting Expedited Relief, (II) Approving Settlement Agreement, and (III) Approving Lease Amendment and Services Agreement [Doc 84] (the “**Order**”) was entered in which the Lease was amended and extended through June 30, 2021. The Lease allows either party to terminate the Lease upon three (3) months written notice.

4. The Debtor is marketing the Property for sale and the continuance of the Lease beyond December 31, 2020 is not required for a sale and will not assist the Debtor in marketing or selling the Property. Catholic Charities has identified other property to relocate its charitable operations to and desires to terminate the Lease effective 11:59 p.m. Prevailing Central Time on December 31, 2020.

5. The parties stipulate and agree that the Lease shall be deemed terminated effective December 31, 2020; and that, to the extent the Property is sold prior to December 31, 2020 and any sale shall be subject to the Lease being assumed by the buyer subject to the effective termination on December 31, 2020.

6. Nothing in this Stipulation modifies the Settlement Agreement or Services Agreement, both of which are also addressed in the Order. The Stipulation is limited to the termination of the Lease.

7. The parties stipulate and agree that Catholic Charities may file a motion under Rule 4001(d) to approve this Stipulation.

8. Counsel, as Electronic Case Filing System users, authorize the filing of this Stipulation with their respective electronic signatures by inserting in their respective signature block their name preceded an “/e/”, as allowed by Local Rule 9011-4(f).

Dated this 13th day of October, 2020.

QUARLES & BRADY LLP

/e/ Jason D. Curry

Susan G. Boswell (AZ Bar No. 004791)

Jason D. Curry (AZ Bar No. 026511)

Michael Galen (AZ Bar No. 035044)

Admitted Pro Hac Vice

150 South Fifth Street

Suite 1800

Minneapolis, Minnesota 55402

susan.boswell@quarles.com

jason.curry@quarles.com

michael.galen@quarles.com

Proposed Counsel for the Debtor

Dated this 13th day of October, 2020.

LATHROP GPM LLP

/e/ Jeffrey A. Peterson

Jeffrey A. Peterson (#0387556)

1010 West St. Germain St, Suite 500

St. Cloud, MN 56301

Telephone (320) 252-4414

Fax (320) 252-4482

jeff.peterson@lathropgpm.com

*Attorneys for Catholic Charities of the
Diocese of St. Cloud*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re: Chapter 11
THE DIOCESE OF ST. CLOUD, Case No. 20-60337
a Minnesota religious corporation,

Debtor.

UNSWORN CERTIFICATE OF SERVICE

I, Jeffrey A. Peterson, certify that on October 15, 2020, the following documents:

- Notice of Motion and Motion for Approval of Stipulated Agreement Pursuant to Fed. R. Bankr. P. 4001(d)
- Unsworn Certificate of Service
- Proposed Order Approving Stipulated Agreement Pursuant to Rule 4001(d)

were filed electronically with the Clerk of Court through ECF, and that ECF will send a Notice of Electronic Filing (NEF) to all electronic filing users.

I certify that a copy of the above-described pleadings were mailed by First Class Mail, postage prepaid, or by certified mail if so indicated to each person/entity named below at the address stated below for each person/entity on October 15, 2020:

See Attached Service List

Dated: October 15, 2020

/s/ Jeffrey A. Peterson
LATHROP GPM LLP
1010 West St. Germain Street
Suite 500
St. Cloud, MN 56301

SERVICE LIST

JASON D CURRY
SUSAN G BOSWELL
MICHAEL GALEN
QUARLES & BRADY LLP
150 SOUTH FIFTH STREET SUITE 1800
MINNEAPOLIS MN 55402

SARAH J WENCIL
U.S. TRUSTEE'S OFFICE
1015 U.S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS MN 55415

THOMAS B. WIESER
JOHN C. GUNDERSON
MEIER KENNEDY & QUINN
TOWN SQUARE TOWER
445 MINNESOTA ST
SUITE 2200
ST PAUL MN 55101

MICHAEL A BRYANT
BRADSHAW & BRYANT PLLC
1505 DIVISION STREET
WAITE PARK MN 56387

THOMAS A JANSON
JANSON LAW OFFICE
PO BOX 795
ST JOSEPH MN 56374

JEFF ANDERSON
MIKE FINNEGAN
JOSH PECK
JEFFREY ANDERSON & ASSOCIATES
366 JACKSON STREET SUITE 100
ST PAUL MN 55101

MICHAEL J VANSELOW
MICHAEL J VANSELOW LAW OFFICE
PLLC
101 SOUTH FIFTH STREET #202
MINNEAPOLIS MN 55402

JAMES C BRAND
RYAN MURPHY
FREDRIKSON & BYRON P.A.
200 SOUTH SIXTH STREET, SUITE 4000
MINNEAPOLIS MN 55402

EVERETTE CYGAL
DANIEL SCHUFRIEDER
SCHIFF HARDIN LLP
233 S WACKER DRIVE SUITE 7100
CHICAGO IL 60606

ROBERT T KUGLER
EDWIN H CALDIE
LOGAN R KUGLER
STINSON LLP
50 SOUTH SIXTH STREET SUITE 2600
MINNEAPOLIS MN 55402

JOHN H FARICY
FARICY LAW FIRM, P.A.
120 SOUTH SIXTH STREET SUITE 2450
MINNEAPOLIS MN 55402

DAVID E RUNCK
FAFINSKI MARK & JOHNSON P.A.
775 PRAIRIE CENTER DRIVE
SUITE 400
EDEN PRAIRIE MN 55344

KENNETH C EDSTROM
SAPIENTIA LAW GROUP
120 SOUTH SIXTH STREET SUITE 100
MINNEAPOLIS MN 55402

MATTHEW B MATTINGLY
SCOTT LENZ JR
BRADLEY
ROUNDAABOUT PLAZA
1600 DIVISION ST, SUITE 700
NASHVILLE TN 37203

DISTRICT 742 COMMUNITY SCHOOLS
ATTN: AMY SKAALERUD OR
CAROL POTTER
1201 2ND STREET SOUTH
WAITE PARK MN 56387

CITY OF ST. CLOUD
400 2ND ST S
ST CLOUD MN 56302

DISTRICT COUNSEL
INTERNAL REVENUE SERVICE
430 NORTH WABASHA ST
ST PAUL MN 55101

INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY
OPERATIONS UNIT
PO BOX 7346
PHILADELPHIA PA 19101

SECRETARY OF STATE
60 EMPIRE DRIVE SUITE 100
ST PAUL MN 55103

OFFICE OF THE U.S. ATTORNEY
600 U.S. COURTHOUSE
300 S. FOURTH STREET
MINNEAPOLIS MN 55415

MINNESOTA DEPARTMENT OF
REVENUE
COLLECTION ENFORCEMENT
551 BANKRUPTCY SECTION
600 N ROBERT STREET
ST PAUL MN 55101

INTERNAL REVENUE SERVICE
WELLS FARGO PLACE
30 E 7TH STREET
MAIL STOP 5700
ST PAUL MN 55101

OFFICE OF THE ATTORNEY GENERAL
445 MINNESOTA STREET, SUITE 1400
ST PAUL MN 55101

ATTORNEY GENERAL OF THE UNITED
STATES
U.S. DEPARTMENT OF JUSTICE
950 PENNSYLVANIA AVE NW
WASHINGTON DC 20530-0001

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: Chapter 11
THE DIOCESE OF ST. CLOUD, Case No. 20-60337
a Minnesota religious corporation,
Debtor.

**ORDER APPROVING STIPULATED AGREEMENT
PURSUANT TO RULE 4001(d)**

Based on the stipulation of The Diocese of St. Cloud and Catholic Charities of the Diocese of St. Cloud,

IT IS ORDERED:

1. The motion for approval of stipulated agreement pursuant to Fed. R. Bankr. P. 4001(d) is granted in full;
2. The lease shall be terminated effective 11:59 p.m. Prevailing Central Time on December 31, 2020; and that, to the extent the leased property is sold prior to December 31, 2020, any sale shall be subject to the lease being assumed by the buyer subject to the effective termination on December 31, 2020.

Dated:

Robert J. Kressel
United States Bankruptcy Judge