

Sunday, February 28, 2021, 5:00 PM
New Hope Church Worship Center

I. CALL TO ORDER

Elder Chairman Jot Turner opened in prayer and called the meeting to order.

II. PURPOSE OF THE MEETING

Our church governance documents specify that the sale of property can only take place by formal recommendation from the Elder Leadership Team (ELT), approved by vote of the members. Our meeting tonight is to vote on such a recommendation from the ELT. The purpose of this meeting is to consider and vote on whether to approve all the following actions or none of them:

- A. Selling the Extended Campus located at 4741 Zealand Ave North, New Hope, MN, on such terms and conditions as are determined by the Board of Elders, with the proceeds of the sale being applied to the line of credit discussed below and with the excess sales proceeds, if any, being reserved for use as determined by the Board of Elders;
- B. Renovating the gym and expanding the office space on the Main Campus at 4225 Gettysburg Avenue North, New Hope, MN, at a cost not to exceed \$1,650,000.00;
- C. Obtaining a revolving line of credit from Christian Investors Financial in an amount not to exceed \$1,650,000.00, with a 3-year maturity and a variable interest rate equal to the Wall Street Journal Prime Rate (the "Line of Credit"), to fund the gym renovation and office expansion, with the line of credit being secured by a mortgage on the Church's properties located at 4225 Gettysburg Avenue North, New Hope, MN (Main Campus), 4217 Boone Avenue North, New Hope, MN (HopeBridge Campus), and 4741 Zealand Avenue North, New Hope, MN (Extended Campus).
- D. If the sale of the Extended Campus, gym renovation/office expansion, and Line of Credit are all approved by a two-thirds or greater vote, designating Jay O. Turner, Elder Board Chair, and Ken Wright, Treasurer, or their duly elected successors, as the persons authorized to sign documents in connection with the sale of the Extended Campus and the Line of Credit, with the signature of either one being sufficient to bind the Church.

Note regarding "A" above: As was shared at the informational meeting and in the members' email this week, NHC has received a competitive offer for the Extended Campus. The ELT has reviewed and negotiated the terms of a preliminary sales agreement that can be executed if the Ministry Centralization Project is affirmed by our congregation.

Note regarding "B" above: These renovations would allow us to centralize Student, Care and Global Ministries at the main campus.

Note regarding "C" above: Our lender, Christian Investors Financial (CIF), will remove the Extended Campus from the collateral once there is a purchase agreement in place.

The agenda was adopted by voice vote.

III. DISCUSSION

Jot Turner mentioned that NHC leadership has hosted two informational meetings with opportunities for Questions and Answers, and a list of Frequently Asked Questions (FAQ's) was provided on the church's website. The following are questions that were raised during this meeting either in person or sent via text. Pastor Paul Schoolmeesters joined Jot on the platform for this portion of the meeting.

Q: I understand we have received an offer already. Is there only one offer? Will you consider waiting for other offers?

A: We have had one offer. The ELT chose to appoint a smaller task force to review the offer; that team has performed more in-depth review of the Letter of Intent that was submitted by the prospective buyer. We were told by the four real

estate professionals with whom we conferred during recent months that they would expect the sale of the property to take six to twelve months. The determination to enter into a preliminary agreement was because this offer not only met but exceeded the amount we were hoping to receive. The process still needs to unfold, but the ELT felt comfortable that the offer was a good offer and we felt with the timing of how it has unfolded, it was the Lord's hand. Also, those four real estate parties had given a range of what they thought the property could be worth; this offer was comfortably within that range.

Q: Why does the cost of renovation have to be limited to \$1.65million in the motion? If we get more funds can we spend more, or are we limited?

A: The wording of the motions was vetted by our attorneys. The limit is meant to set parameters. It was important to the ELT that the Line of Credit (LOC) match the project cost. The intent is that we believe the renovation costs will be within that amount. Any excess money will be reserved for future purposes (i.e. renovations at HopeBridge), but not yet determined.

Q: Why is it necessary for us to have a mortgage on all three of the buildings with the line of credit?

A: We asked the same question of our lender. The arrangement of requiring all properties be included as collateral is typical in a situation like this because the possibility is that we could borrow money from our other properties. If a purchase agreement is signed prior to the loan documentation (which we expect it will be), the EC would not be included in the loan collateral.

Q: Why is it still necessary to acquire the line of credit if we have a buyer for the EC?

A: The sales process is still contingent on timing / closing. The contractor costs will likely begin prior to the actual sale. The LOC can only be used for these projects, so at this stage (compared to a few months ago) the LOC is seen as our transitional funding mechanism. This is our safety net if the offer falls through. If the EC remained empty for a year, we have calculated that a full year of interest on the LOC would be \$58,000. Further, if we were to delay construction until the building sells, construction costs would likely go up approximately 4% (which would be more than that \$58,000).

Q: How much was the offer / who was it from?

A: We are bound by a confidentiality agreement in the preliminary terms, but will disclose this information as soon as we can. It is a competitive offer and we foresee the buyer would be a good fit for our community, offering good partnership opportunities in the future.

IV. VOTING INSTRUCTIONS/VOTE

Jot Turner shared these instructions:

- Members may vote only once.
- In person – complete the paper ballot; do not fold. Place in ballot boxes on your way out of the worship center.
- Online – members received a link to the online ballot. Voting will close five minutes after the meeting is adjourned.
- The result of the vote will be announced tomorrow via email and on the church website.

V. ELECTION RESULTS

It was announced on March 1, 2021 that the vote passed with 95.5% approval.

MMSC to adjourn the meeting.

Pastor Matthew St. John closed the meeting in prayer, giving thanks to the Lord for the things He has done in the past and praising God for the possibilities of the future.

Respectfully Submitted,

Jot Turner, Chairman, Elder Leadership Team

Paula Pust, Church Clerk