

Sunrise UMC
Building Committee Meeting
Minutes for 7/8/09

Larry Nichols opened the meeting with a prayer.

Attendance sign-in was passed around.

Minutes for the prior meeting were reviewed and approved.

The following update from the Cook Acquisition/Re-finance Team was provided:

Larry Nichols announced that Cook has agreed to sell the Note, Option on the additional land and no further interest payments for \$4,100,000. This offer has been accepted pending formal approval of the offer and formal approval of bond issue to finance the deal. After months of trying to work something out, this verbal agreement was reached with CFO of Cook last evening (7/7/08). Cook really feels Sunrise is a positive aspect of the campus there and they wanted to do everything they could to make it happen. We need to take note and give thanks for Cook's generosity in this matter.

Now that we have a tentative deal with Cook, we know how much we need to re-finance.

Barb Colclough explained the information regarding having a bond issuance. Sunrise would be able to sell bonds to church members, families, friends, etc which would provide the funds that would in turn be loaned to Sunrise to finance the Cook buyout and also include the Briargate mortgage. We would have one consolidated debt with one monthly payment. Terms would be locked in for thirty years at historically low rates. The church would also have the opportunity to save interest on the back end, by paying off bonds early.

There were three bonding companies that the Team entered into discussions with. Two of the bonding companies (Rives Leavell & Co and Ziegler) partner together to guarantee the total amount of issuance needed. The third company (Commonwealth Financial) was a best efforts approach.

The Cook Acquisition/Re-Finance Team recommended that the Building Committee approve a moving forward with a bond issues for our financing needs and using Rives Leavell & Co (RLC) and Ziegler as the bonding underwriter. Now that a deal with Cook has been agreed upon, it is know that the requirement is \$4,100,000 for Cook buyout and approx \$2,000,000 needed for Briargate mortgage, plus some additional funds to help cover issue/closing costs. By agreeing to use RLC/Ziegler the church is guaranteed to receive the full amount of funds needed to move forward with the deal.

A motion was made and seconded to move forward to accept Cook's offer of \$4,100,000 for the Cook note buyout, exercise of the option and no further interest, to fund by a bond issuance using Rives Leavell & Co/Ziegler, and to also include the Briargate mortgage. The motions was unanimously approved.

Larry would like a formal letter from the church to be sent to Cook to thank them for their efforts and ability to work with us.

There is a sense of urgency to get moving on this. The bond underwriters can return to us an approval of financing in 10 days once we give them the formal ok. We would like to get this to Cook as soon as possible. Additionally, we would like the bond issue to happen in September for two reasons – first so it doesn't interfere with stewardship drive, second so funding to Cook can happen in October, before the next interest payment would have been due Nov 1. So backing up the calendar, time is of the essence to get this approved by Church Council.

Church Council is scheduled to meet on Sunday, July 19.

Next Building Committee meeting is tentatively scheduled for Sunday, Aug 9, at 11:45.