

IMPORTANT INFORMATION ABOUT

UUCP CONSTRUCTION FINANCING

We are opening discussions with several lenders over the next two weeks to determine their interest in providing funding for our construction project. The existing construction loan (about \$600,000) has been extended for two years by our current lender, and that loan will be combined with the new loan once it is secured. Our proposal will include the following:

Our loan request will be in the amount of \$900,000. This amount together with our congregation's capital pledge payments of \$1,385,000 will total \$2,285,000. This amount will fund the current capital construction cost of \$1,550,000, along with rolling over an existing loan balance from prior construction projects of \$600,000, and a reserve of \$100,000 to cover unplanned cost overruns on our current project. This will leave us with excess project cash of \$35,000.

Our Foundation (with assets of some \$1,000,000) has agreed to guarantee the new loan. Also, the loan will be secured by our property which has a value far in excess of the loan amount. Further, our congregation has made a strong commitment to correct the annual financial shortfall that we have experienced in the recent past. It is important that a high percentage of congregants participate (at every giving level) in our annual giving, since that shows active support by the congregation. These factors, as well as securing a new settled minister, will make our congregation a quality applicant that a lender should be able to accommodate.

I am confident that our loan discussions will be successful. If not, our projection of cash flow from pledges for the construction, further support from our foundation and additional support from some of our congregants will enable us to proceed. Several congregants have indicated that they would be interested in assisting the congregation by participating in the construction loan. This gives us a great deal of certainty that this important construction project can be completed as planned. But we need your continued support.

Helping in this effort have been Smoot Carl-Mitchell, Duke Plattner and Diana Ashley whose advice has been greatly appreciated. Also, many thanks to members of the Finance Committee and Board of Trustees for their valued help and counsel. These people and those of you who are members of this wonderful community have been of great assistance and encouragement as we work through this challenging financial period. We are making progress. Keep it up!

We will keep you posted as these discussions progress.

Larry Reed

Treasurer