

APPENDIX J-1

MONTGOMERY PRESBYTERIAN CONFERENCE CENTER

PROGRESS AND YTD SUCCESSES

USE OF FUNDS FOR PILP LOAN

PILP LOAN COMMITMENT LETTER



Progress and YTD Successes -

Camp Director – Lexi Green:

Since Jan 1st, booked 12 new user groups and 32 returning groups

Welcomed 716 guests YTD

Creation and installation of Montgomery farm-to-table program

Began a relationship with Central Fl Pres (17,698 members from 63 churches)

Met with staff of 11 churches, will continue with this outreach

Seen increase in revenue for every month vs. 2018, with the exception of 1 (April)

Culinary Director – Jared Lane:

Dramatic increase in user group satisfaction based upon overall food quality and selection. We have not had a single expression of negative feedback concerning the food; feedback has been overwhelmingly positive

Chicken coops, retention beds, many other infrastructure pieces begun for farm-to-table program

Zero use of deep-fryer

Maintained successful food cost ratio

Kept labor below projections and last years' numbers

Gardens shifted from concept to bearing produce, everything from seed, 150 different varieties of vegetables and herbs

Kitchen has been fully inventoried, with a focus on conservative utilization of raw goods

Developed relationships with local vendors, e.g. UF Meat Store, Rainbow Produce in Gainesville and Power House coffee roasters in Keystone

Development Director:

Hosted more than 125 people for inaugural Jubilee Celebration

Developing relationships with non-profit partners (Family Support Services, Boy Scouts, etc) focused on children's issues to eventually steer them toward mid-week events

Revamped social media and website outreach. Since revamping the website, we have seen an uptick in camp registrations and activity on social media platforms - leading to increased interest

Raised 42% of total monies raised in 2018. With continued plans to increase outreach and revenue from donations

Corporate and major donor relationships begun, looking toward larger gifts and long-term giving



Use of Funds for P.I.L.P. loan -

\$350,000 – Complete remodel of main lodge and dining hall

\$125,000 – Grade, gravel and pave main access road in including turn-outs and security lighting

\$50,000 – Ongoing upgrades to lakefronts, docking, new security gate, landscaping

\$50,000 – Construction materials and equipment to upgrade high-ropes course, ziplines, and rock climbing elements. These will provide an immediate increase in revenue as we market them to day-trip Presbytery groups, as well as secular groups such as UF student groups, middle and high school groups, etc

\$20,000 – Lumber and light construction supplies to upgrade outdoor spaces such as the outdoor chapel, labyrinth, and treehouses

\$5,000 – Upgrades to archery range and equipment

\$20,000 – Materials and equipment for small satellite cabins, and bedding and bedding increases. This will improve quality-of-stay as well as increase bed count, again for immediate ROI

\$50,000 – Supplies to upgrade existing and provide additional “farm-to-table” program elements for both corporate dining and educational camp use. Apiary, sustainable kitchen gardens, outdoor kitchen and dining facilities

\$30,000 – Miscellaneous repairs and upgrades- roof repair, pathway maintenance etc



Investment & Loan Program Inc.

April 8, 2019

Jason D. Salvagni
Montgomery Presbyterian Conference Center, Inc.
and the Presbytery of St. Augustine, Inc.
88 SE 75th Street
Starke, FL 32091

Dear Mr. Salvagni:

The Presbyterian Church (U.S.A.) Investment and Loan Program Inc., hereinafter referred to as the "Program", is pleased to offer the following loan to Montgomery Presbyterian Conference Center, Inc. and the Presbytery of St. Augustine, Inc., hereinafter referred to as "Borrowers". This letter does not set forth all the terms and conditions of the loan offered herein. Rather, it is only an outline, in summary format, of the major points of understanding, which shall be the basis of the final Loan Documentation that will be drafted by the Program. This commitment is valid for a period not more than one hundred eighty (180) days from the date of this letter (until **October 7, 2019**). The Program requests that the Borrowers take the necessary steps, along with Program to close this loan within 60-days of the date of this letter.

The following is a summary of the terms and conditions under which the loan will be made:

- Borrowers:** Montgomery Presbyterian Conference Center, Inc. and the Presbytery of St. Augustine, Inc.
- Loan Structure:** Consideration for change in loan structure from co-borrowers to borrower/guarantor may occur after the 5th anniversary date of the loan closing.
- Purpose:** Proceeds of this loan will be used for renovation.
- Construction Phase:** Construction amount of \$700,000.00. The construction period will be for 24 months, or upon the completion of construction, whichever comes first. Repayment will be monthly interest-only on the principal sum disbursed during construction phase. The base interest rate during the construction phase will be 4.750%, as long as the Program's investment requirement is met. This rate is good for 60 days (until **June 7, 2019**), after that it will be adjusted to the Program's then current Base Construction Phase rate. The rate will hold for the first 36 months from the loan closing date. The rate will also be adjusted to the base rate plus an additional amount as outlined in the Investment Addendum if at any time the investment requirement is not met.
- Permanent Phase:** \$700,000 (Seven Hundred Thousand and 00/100 Dollars).

Starke, FL – Montgomery Presbyterian Conference Center, Inc. and Presbytery of St. Augustine, Inc.

Commitment Letter Page 2

Term:	240 months
Amortization:	240 months
Interest rate:	The Permanent Phase blended base interest rate is 4.750% per year. This rate is good for thirty-six (36) months from the closing date at which time it will be adjusted to the Program's then current blended base interest rate. The blended base interest rate for the loan will be adjusted every thirty-six (36) months from the date of the loan closing to reflect the Program's current cost of funds plus a margin that is generally three percent (3%) per annum (but can be greater or smaller).
Investment Requirement:	As a condition for obtaining this loan from the Program at the preferred base interest rate, the Borrowers must obtain and maintain supporting investments with the Program of \$140,000 (see investment addendum).
Reserve Account:	Borrowers to provide debt service reserve account of \$150,000 which shall be opened and held with the Program. Funds may be counted towards supporting investments total. Debt Service Reserve Account may be considered for release every 3 years during rate review period.
Repayment:	Monthly payment at \$4,523.57, fixed for the first 36 months. The monthly payment shall be adjusted during the term of the loan when the interest rate is adjusted.
Collateral:	First Mortgage on property located at 88 SE 75 th Street, Starke, FL 32091.
Title Policy:	Required. The title policy shall contain no exceptions, conditions, exclusions or other matters unacceptable to the Program
Hazard Insurance:	Evidence of liability and fire insurance coverage naming the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc., as additional insured, loss payee and mortgagee
Fees:	Borrowers will pay all legal fees, recording fees, appraisal fees (if applicable), and other cost incurred by the Program in connection with making, documenting, and closing of the loan.
Appraisal:	None. Prior to closing, the church will be required to complete the Appraisal Checklist document.
Points:	None
Prepayment Penalty:	None. The Presbyterian Investment and Loan Program will not charge a prepayment penalty for early payment of the loan.
Financial Statements:	Borrowers shall provide the Program a copy of fiscal year-end financial statements within 90 days of fiscal year-end.
Additional Debt:	Borrowers covenants and agrees that it will not incur additional indebtedness or permit any lien or any other encumbrances of the property securing the Promissory Note without the prior written consent of the Program.

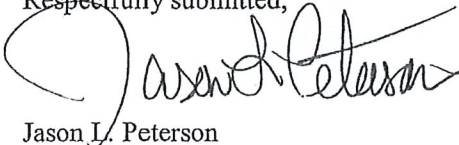
The Program reserves the right to add additional terms and conditions and to modify existing terms and conditions for the loan upon written notice to the Borrowers. Attached to this letter and incorporated herein is a list of Requirements, which contains the Program's minimum requirements for making a loan. This commitment is conditional upon meeting these requirements as well as the conditions set forth herein. If in the Program's sole determination, the facts, conditions or circumstances have changed from those stated in the loan application or otherwise, the Program reserves the right to withdraw this commitment at any time. This commitment is not assignable or transferable by the Borrowers without the express written consent of the Program.

Further, upon termination of use of the property to be mortgaged as a particular church or upon termination by declaration or otherwise of the Borrower's status as a particular church, entity or agency of the Presbyterian Church (U.S.A.) and subject to the Constitution of the Presbyterian Church (U.S.A.), any loan created by this commitment shall be immediately due, payable and collectible.

The terms of this letter may not be waived, modified, or in any way changed except as agreed to in writing and signed by all parties. If you agree with the terms and conditions contained herein, please sign and return the enclosed Acceptance Page. Acceptance of this commitment letter means acceptance of the standard conditions, provisions, limitations, and required documentation necessary to secure the loan as set out herein.

Thank you for this opportunity to serve the Montgomery Presbyterian Conference Center, Inc. and the Presbytery of St. Augustine, Inc. and its capital project needs. Our program's long history of working with Presbyterian churches and related Presbyterian entities gives us a unique perspective in providing the appropriate level of financing and structure for this capital project need. As your relationship manager, I look forward to working with you on the closing and funding of this loan. Our office team will be calling you in a few days to follow up and answer any questions that you may have about this commitment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jason L. Peterson", written over a large, stylized circular flourish.

Jason L. Peterson
Director of Loan Operations
1-800-903-7457 Ext. 5890

ACCEPTANCE

This signature page of the commitment letter must be signed, dated and returned within 15 days from the date of this letter, to the Program. Enclosed is a self-addressed envelope for your convenience.

By signing and returning a copy of this letter, the undersigned acknowledges receipt of the Program's Commitment Letter and Requirements and agrees to all of the terms and conditions set forth herein. When the approved loan involves signing a construction contract, the Borrowers will receive the proceeds of the loan in the form of draws against the total commitment. Interest only on the principal amount outstanding is due during the draw period, which cannot exceed twelve (12) months. Draws must be taken in One Hundred Thousand Dollar (\$100,000.00) increments, and only once a month. At the end of construction, the loan will be converted to an amortizing mortgage and the loan term will begin.

MONTGOMERY PRESBYTERIAN CONFERENCE CENTER, INC.

By: _____
(Authorized Corporate Signature)

Printed or Typed Name: _____

Title: _____ Date: _____

PRESBYTERY OF ST. AUGUSTINE, INC.

By: _____
(Authorized Corporate Signature)

Printed or Typed Name: _____

Title: _____ Date: _____

LOAN COMMITMENT LETTER

General Requirements

The following are the minimum requirements for a loan to be made by the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("Lender"). Unless you are informed otherwise in writing by the Lender, the following will apply to your loan. The Lender reserves the right to modify these requirements or to impose additional requirements, as it deems appropriate.

Requirements to be met prior to closing:

The following must be received by the Lender sufficiently before closing to allow proper preparation and legal review of the loan documents. These documents must be received in a form acceptable to the Lender before the initial disbursement of funds will be made.

1. **ARTICLES OF INCORPORATION:** A copy of the Articles of Incorporation of the Borrower and/or Co-Borrower, **certified by the Secretary of the Borrower and/or Co-Borrower's corporation**, showing necessary corporate capacity to enter into the loan transaction. *(Certification form enclosed).*
2. **CERTIFICATE OF CORPORATE GOOD STANDING:** A Certificate of Corporate Good standing must be obtained from the Secretary of State's office *(Instructions for obtaining enclosed).*
3. **BYLAWS:** Copy of the Bylaws of the Borrower and/or Co-Borrower and all amendments thereto, in form and substance satisfactory to the Lender, **certified to be true and complete as of the current date by the Secretary of the Borrower and/or Co-Borrower's Corporation.** *(Certification form enclosed).*
4. **AFFIDAVIT AND CERTIFICATE OF INCUMBENCY:** Form to be completed by Borrower which informs the Lender of the corporate officers and who are authorized to sign on behalf of the Borrower and/or Co-Borrower's corporation *(Form enclosed).*
5. **RESOLUTIONS:** Resolutions adopted by the appropriate governing bodies of the PC(U.S.A.), authorizing the loan and the execution of the Note and Mortgage/Deed of Trust and any other documents or instruments required by the Lender. The Resolutions must be certified by the Secretary of the Borrower and/or Co-Borrower's corporation to be true and correct and in full force and effect as of the closing date. *(Preferred wording for resolutions are enclosed).*
6. **TITLE INSURANCE COMMITMENT:** The Lender will order a commitment for a Beneficiary's policy of title insurance, to be furnished in standard 2006 ALTA form, in the full principal amount of the loan. The commitment will assure that a final title policy will be issued upon closing, insuring that the Lender's interest under the Mortgage/Deed of Trust is first in priority over all other liens, unless approved otherwise. The commitment will assure that the policy will contain no exceptions, conditions, exclusions or other matters unacceptable to the Lender, as determined in its full and complete discretion including, but not limited to, exceptions for survey matters or for mechanics' or materialmen's liens. Further, the commitment will assure that the policy will provide full coverage against mechanics' and materialmen's liens gaining priority over the lien of the Lender, notwithstanding the fact that such liens may arise subsequent to the date of such policy, to the extent that the proceeds of the loan secured by the Mortgage/Deed of Trust insured by such policy have been disbursed. In addition, the commitment will assure that the policy will show marketable fee simple title to the property of Borrowers,

subject only to the Mortgage/Deed of Trust.

7. SURVEY: An ALTA Survey, prepared by a registered or licensed surveyor, sufficient to eliminate the "survey exception" from the title insurance policy and shall at a minimum:
 - a. establish the exterior boundaries;
 - b. establish acreage to the nearest hundredth acre;
 - c. spot any encroachments of any structure or fences on the property;
 - d. spot all improvements on the property;
 - e. spot all existing utility services, ditches, waterways, roadways, paths and any and all easements or rights of way; and
 - f. establish any public roadway adjoining the property.
8. ENVIRONMENTAL ASSESSMENT CHECKLIST: Borrower shall complete and return the Environmental Assessment Checklist. In addition, Borrower shall furnish, at its expense, any and all information concerning hazardous materials or environmental matters as the Lender may request. The Lender has the right to require a Phase or Level I environmental audit, an operational audit, additional assessments, audits, reports or procedures prepared or performed by an environmental firm or consultant approved by the Lender. The Lender may also require that environmental violations be corrected and/or that the Borrower obtain all the necessary environmental permits before the Lender is obligated to fund the loan. All audits, reports or assessments requested by the Lender will be at the Borrower's expense. The loan may not be made if the audits, assessments or reports are not acceptable at the Lender's sole discretion. (*Environmental Assessment Checklist form enclosed*).
9. INSURANCE: Certificate of standard non assessable fire and extended coverage insurance, and all endorsements renewing such policies, must be on file with the Lender until the loan is paid in full.

The insurance policies must:

 - a. contain an agreed value/amount clause showing a value greater than the amount of the loan or the value of the improvements on the property;
 - b. contain a provision for 100% coinsurance;
 - c. cover all existing buildings; and
 - d. be endorsed to name the Lender as the **Mortgagee/loss payee/additional insured**. In the event that boiler insurance is required by state law or municipal ordinance, evidence of such insurance coverage must also be furnished.
10. APPRAISAL: In lieu of a formal appraisal, the Appraisal Checklist must be completed and returned, showing a value for the property sufficient to meet the Lender's policies and guidelines. (*Appraisal Checklist form enclosed*).
11. ZONING: Evidence satisfactory to the Lender that all governmental zoning ordinances, restrictive covenants, comprehensive plan provisions, land development regulations, concurrence management regulations and zoning issues affecting the subject property

have been complied with and permit the use for which any improvements are intended and that no litigation is pending regarding the validity of same. Borrower represents that compliance with such ordinances and covenants will continue after the loan closing. A letter from the City/County stating that the property is zoned properly will meet this requirement.

12. FEMA FLOOD REPORT: The Lender will obtain a flood report from the title company assuring the church building is not located within a flood plain. If it is discovered that the church is located within a flood plain, a flood insurance policy must be obtained at the titleholder's expense and remain in effect until the loan is paid in full.
13. All legal matters pertaining to this loan shall be subject to the approval of the Lender's counsel.
14. All costs and charges for title examination and issuance of title insurance policy, survey, mortgage tax, and recording fees in connection with making of the loan, shall be paid by the Borrower and/or Co-Borrower.

ADDITIONAL REQUIREMENTS

(Investment Addendum)

As a condition for obtaining this loan from the Lender at its Base Interest Rate, the Borrowers must have Designated Participating Investments equal to or greater than 20% of the Program's portion of the loan amount, or a minimum of \$300,000, whichever is less. (Designated Participating Investments may be met with investments from the church's own funds, members of the congregation, or corresponding middle governing bodies).

In any month in which the Borrowers do not have Designated Participating Investments equal to 20% of the Program's portion or a minimum of \$300,000, whichever is less, of the loan as determined by the Program, the Program, at its option, may increase the then current base interest rate under the Promissory Note ("Base Interest Rate") by 1% per annum.

If Designated Participating Investments grow beyond the required 20% to receive the Base Interest Rate and reach certain levels, the Borrower can qualify for rebates that reduce the effective interest rate. A Designated Participating Investment level of 35% of the Program's portion of the loan amount qualifies for a ¼ point rebate. 50% will earn a ½ point, 75% earns ¾ point and 100% earns 1%. Rebates are accrued monthly and paid annually.