

Dear Calvary,

I'm writing this letter to update you on the progress of the building program which will provide us with our new and permanent sanctuary. As many of you may have heard, we are months away from breaking ground. In fact, last night we received a unanimous vote from the city Planning Commission approving the Conditional Use Permit for the new sanctuary. We are now free to move forward, and we are able to do that because of God's faithfulness to us through all of you sacrificially giving of your hard-earned resources over and beyond the tithe in the last seven years. We are overjoyed and in complete awe of the fact that the Lord moved in us to raise over 2.3 million dollars while still maintaining our general budget in order to carry-out our week-to-week ministry. Praise the Lord, and a warm thanks to many of you who have joined us in this endeavor.

When we officially began our journey, as far back as 2007, we were attempting to complete the whole project from start to finish (purchasing and building out) with a relatively small loan (compared to the value of the property) of around a million dollars. As we moved forward, the costs began to add up to the tune of us needing a loan to complete the full build out of at least four million dollars. That didn't feel right to the leaders to carry such a large loan, so they decided to re-evaluate how we would move forward. Eventually we settled with the concept that we would purchase the building outright, with the money we had raised and the capital from the sale of our old building, but then wait until we raised our full pledge amount of 2.15 million in order to do our complete build without carrying a loan. The Lord graciously provided our pledge amount (and more) through the steady and faithful giving of our people. This process has taken us a little over seven years. Our primary goal was to trust in the Lord for his provision and to be good stewards with the money the Lord provides.

Now as we look to complete this long process, due to the rising cost of construction and the ever-increasing list of city regulations, our cost to complete this final stage of our building is around 3.5 million dollars. That is made up of \$3 million for "hard costs" of construction, and \$500 thousand for "soft costs" of permits, fees, furniture, sound, and decorations. This puts us in a position of needing a construction loan of about 1.2 million dollars. That amount would now require us to service a loan. If you're like me, the next thought is, "but we wanted to do it with no loan."

The elders recently voted unanimously to proceed with the building project even WITH securing a 1.2 million-dollar loan. Let me do my best to explain why. The industry experts tell us that the cost of construction is rising each year by 8%. If we wait until we raise another \$1.2 million, doing a little math, the cost will have increased another 280 thousand dollars (3.5 million x 8% per year). If we build now and take a construction loan of \$1.2 million at around 4.75%, we would lock in the cost of the building and our additional cost would be around \$57 thousand paid in interest (1.2 million x 4.75% per year). Both options require us to trust in the Lord for his provision. But on the issue of being good stewards, moving forward with a construction loan at the cost of \$57 thousand in loan interest (per year), versus waiting at the cost of \$280

thousand in escalated construction cost (per year), is clearly the wiser choice with the money God has provided. For this reason, the elders have voted unanimously to move ahead.

During this time of prayer and seeking God's direction, we have also noticed that our by-laws require a two-thirds approval from the elders and a majority vote of voting members to "purchase, encumber or dispose of all real property." This loan of \$1.2 million would be an "encumbrance" of our property. For this reason, according to article 9.1.4, we need to have a special business meeting to vote on this matter. To facilitate this, we are scheduling an open forum (Q&A time) for Sunday March 17th at 9:45am in the sanctuary. The following Sunday at the same time will be the opportunity for voting members to vote.

I apologize for the length of this letter, but we really want you to be informed on the details. Please be praying with us about the whole project, that we would know and obey God's direction for us as a church, and that each of us could determine in what role the Lord might be asking us to take part.

We have been so blessed by God during this "Journey of Faith," and look forward to the completion of the "good work he has begun in us." Thank you for taking the time to read this, and we hope to see you at the open forum on the 17th.

On behalf of the elders,
David Tebay