

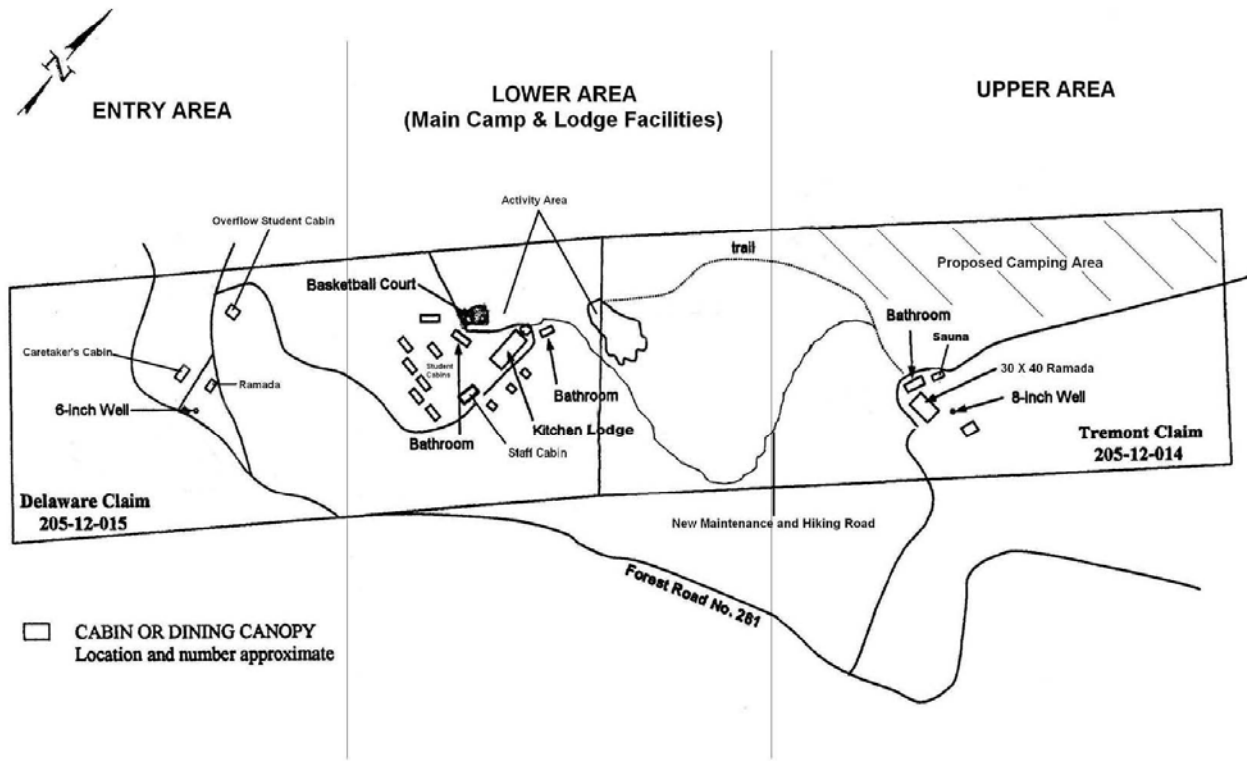
# Kamp Kipa update

June 10, 2009

## Construction

## Financing

# Property Map





# Construction plan

- Main Lodge & Camp Facilities

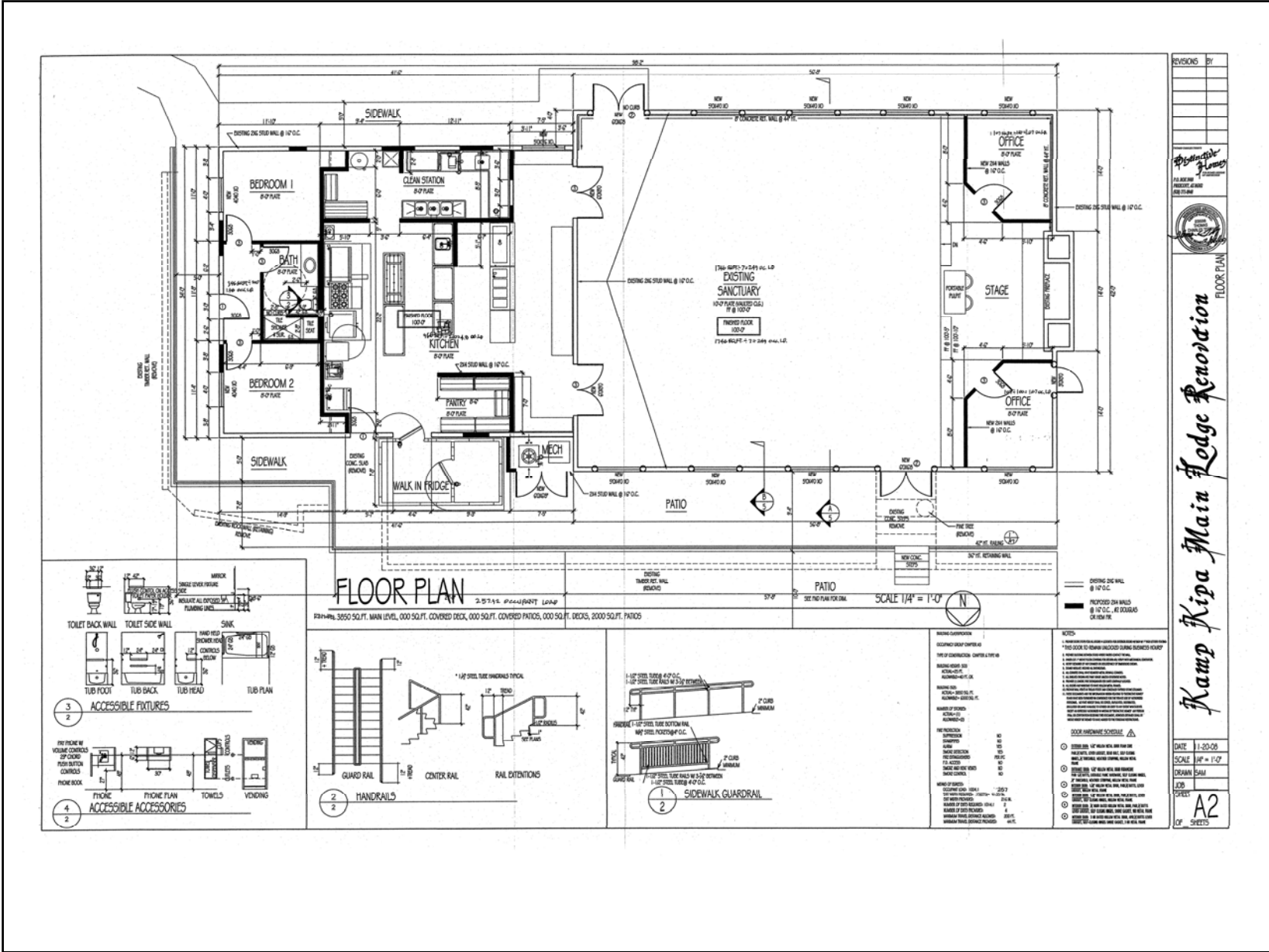
- Lodge

- Kitchen
- ADA sleeping rooms
- Office
- Storage
- Sanctuary & Dining

Approximately 6,000 sq ft. The lodge includes a full-service kitchen, 2 ADA bedrooms, and an ADA compliant bathroom. It will also include a sanctuary which will seat approximately 250. This will be a multi-use building for services, presentations, dining, etc. There will also be a storage office for projection and audio equipment and a camp office which will serve as study/prep area/ copy machines, computer and phone. See attached plans, elevation and floor.

One side of the lodge will have a 2-tiered patio supported by block retaining walls which will serve as outdoor and overflow dining, visiting and congregant area. There will be permanent picnic tables with umbrellas.





# Construction plan

## – Cabins

- Sleeping
- Staff

One staff cabin which will include 4 rooms and will serve as a Director's cabin, nurse's first aid station as well as overnight quarters for presenters. There is not a bathroom planned for this cabin at this time. The facilities at the lodge will serve for the staff cabin.

One cook's cabin which will have an open floor plan with bunks for 8 cooks.

There will be 10 student cabins of various sizes, all dorm style and sleeping capacities – the average being 8 bunks.



Sleeping cabin





# Construction plan

## – Bathhouse

- Women's facilities
- Men's facilities

One Men's bath house with 3 urinals 3 toilets, 6 showers and 5 sinks.

One Women's bath house with 6 toilets, 6 showers and 5 sinks.



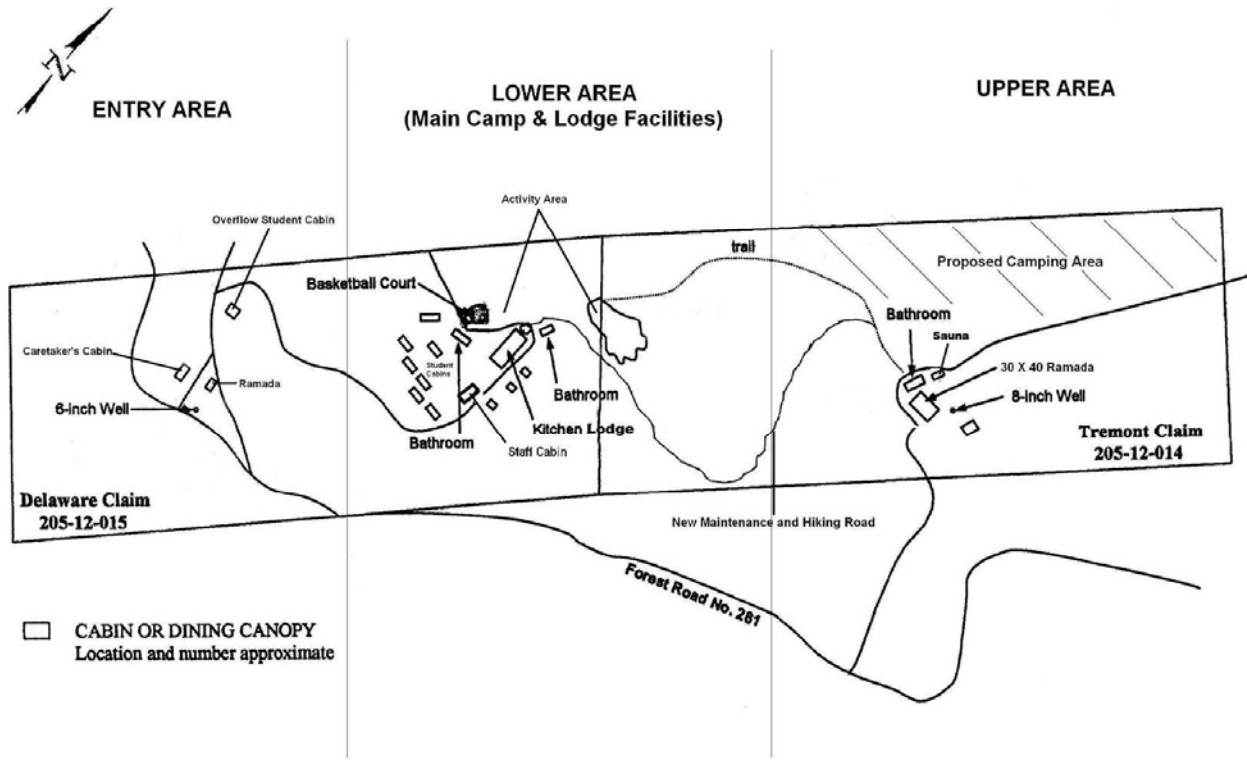
# Construction plan

- Recreation Areas
- Ramadas

There will be 3 open play areas close to the lodge including a basketball court and areas for kickball, relays and other physical outdoor activities.

There are 5 Ramada's (a roofed, open sided shelter with tables and benches) which can be used for small groups (10-16) for classes, lunch, discussions, presentations, etc.

# Property Map



# Construction plan

- Entry Area
  - Caretaker's Cabin
  - Ramada
  - Well
  - Sleeping ( or storage ) cabin
  - Parking

Entry Area (Gateway and parking) to Lower Camp

Caretaker's cabin which is comprised of one bedroom, living area, full bath and a kitchenette. This has been repaired and is in usable condition.

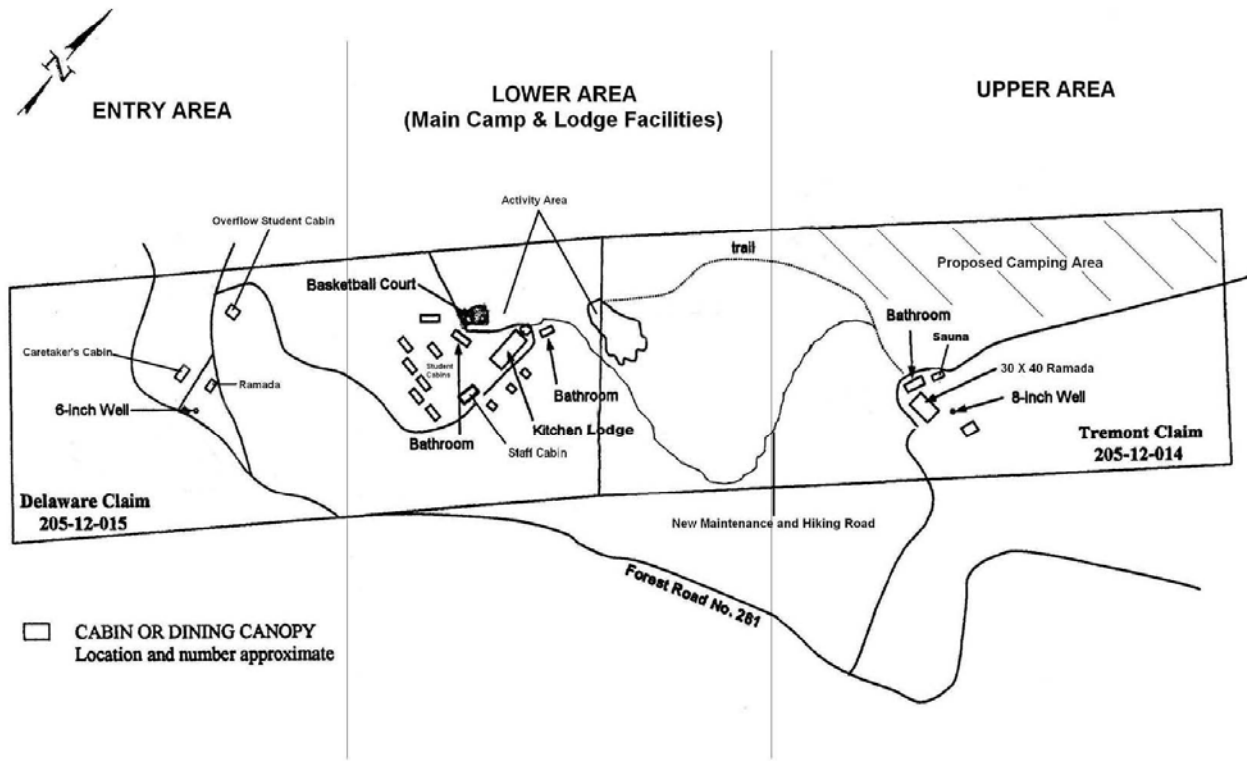
Directly across from the Caretaker's cabin is an additional cabin with 8 bunks in a dorm style which can be used for overflow sleeping quarters or storage.

There is one Ramada across from the caretaker's cabin available for outdoor class usage or for discussions.

There will be a parking lot, estimated 50 space capacity.



# Property Map



# Construction plan

- Upper Area
  - Large Ramada
  - Sauna & Bathhouse
  - Well-water filtration system
  - Camping Area
  - Recreation area

Large Ramada on concrete slab with seating for approximately 100. (30x40) includes a small snack shack with electrical outlets. Can be used for serving a cookout group and/or concessions.

6-person electric sauna. Close to the sauna is a single building bath house with split facilities for men/women. 2 showers, 2 sinks & 2 toilets on each side. These are in good repair and ready for use.

Water filtration system in this area will be constructed next to the existing well. It will serve the entire camp. Two holding tanks have already been purchased which have a capacity of 4500 gallons each.

Camp site development for individual (family) camping. There will be some RV hook-ups close to the Ramada with water and electric services only.







# Construction plan

- Grounds Improvement
  - Improve existing road with cul-de-sac
  - Walkways
  - Logging road (hiking & maintenance use)

Improve existing road from caretaker's cabin to the lodge with a turn-around (cul-de-sac). The plan will be to have participants and their gear dropped off at their cabins via shuttle. The road will be used primarily for deliveries, setting up the camp and ADA participants.

There will be walking pathways developed between cabins, cabins & lodge, cabins & bathrooms, lodge and bathrooms, to/from open play areas and Ramada's. There will be some lighting to accommodate nighttime use.

In addition, there was a logging road created during the clean-up phase. This will require additional improvement and will serve as a maintenance road and hiking path to the upper area.

# Construction plan

- Timeline

- Completed to-date

To date, May, 2009, we consider all the following projects complete except for final maintenance/touch up.

- 9 of 10 student cabins

- 1 cabin across from Caretaker's cabin

- Caretaker's cabin

- Upper Ramada

- Sauna

- Bath house (upper area)

- All Ramada's are complete, except minor repairs, adding picnic tables to some, clean-up and possible painting.

- Main electrical infrastructure is complete.

- Demolition and removal of unsafe cabins and structures.

- Demolition of interior of existing bathrooms, which were in poor shape. Prep work for bath houses has been completed.

Please note at this stage everything accomplished is paid for.

# Construction plan

## – Projected milestones

- Through October 2009

### **This year's anticipated building Season will last through Oct. 2009**

Construction of water filtration and storage system will be initiated. This will include installing filtration equipment, running additional lines, repairing broken lines and installing drain lines.

Septic system improvements will be made. This includes repair and testing.

Complete shell of the main lodge and staff cabin, by end of building season, which will include all rough electrical and plumbing and make buildings secure.

Majority of clean up of underbrush has been completed around the lower area. Clearing & clean-up will continue always.

# Construction plan

- Projected milestones

Through October 2010

- **Building Season starting in May, 2010 through Oct., 2010**

Parking and pathways will be prepared and completed

Exterior and pathway lighting will be installed.

Kitchen equipment will be installed and tested.

Finish and trim of all facilities that will be used; lodge, staff cabins.

# Construction plan

- Projected milestones
  - May 2011 – first camp
  - Summer 2011 – dedication
  - Summer 2011 – Formal transfer to LLC
    - Transfer of ownership and any remaining debt
  - Summer 2012 – First Confirmation Camp

# Construction plan

- Construction Staffing

Project Coordinator – Steve Forstie will be responsible for all phases of construction and renovation until complete, however is not responsible for clean-up.

Camp Planning Committee will assign project managers to organize and coordinate each segment and phase of the project.

Volunteer labor scheduling - Tom Johnson, Phoenix

Grounds Clean up coordinators – Bill Skoog, Phoenix; Greg Janckila, Prescott

# Financing Plan

- Cost estimate \$ 600,000
  - Mostly volunteer labor
- Loans
  - Member or Congregation Loans
  - Credit Line (Chase Bank Proposal)

See attached loan documents from Chase Bank. Hoping for financing to be approved by Phoenix Congregation on June 14. Also looking to the LLC to co-sign for securing loan. Phoenix Church will also be used as collateral, upon congregational approval. It would be anticipated that interim loan payments (interest only during construction period) will be made by the service area congregation members through fundraising & donations.

# Financing Plan

- Funding
  - Donations
  - Area congregational support
    - \$ 10.00 per member per month (Start July 2009)
  - Fundraisers



Steven R. Spangler, VP  
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 Scottsdale, AZ 85251  
 Ph: 480.970.7205  
 Fax 480.970.7067

May 14, 2009

**Phoenix Laestadian Lutheran Church – Kamp Kippa**  
 c/o Robert Johnson  
 8777 E. Via de Ventura Ste 245  
 Scottsdale, AZ 85258

Dear Mr. Johnson,

JP Morgan Chase Bank, NA is pleased to present the following proposal extend credit to Phoenix Laestadian Lutheran Church (Kamp Kippa) subject to completion of formal underwriting:

<b>Borrower:</b>	Phoenix Laestadian Lutheran Church
<b>Guarantors:</b>	Laestadian Lutheran Church (National)
<b>Amount:</b>	\$600,000
<b>Purpose:</b>	Construction of facilities for Kamp Kippa
<b>Maturity:</b>	72 months
<b>Amortization:</b>	Interest only during construction period (12 months) followed by term financing of the balance over a 15 year amortization
<b>Rate:</b>	During Construction -- interest rate of 30 day LIBOR + 4.00% (currently 4.386%) After term out --Option 1 → continued floating rate of LIBOR + 4.00% Option 2 → fixed rate of 5 yr Chase internal cost of funds plus 1.75% (currently 6.25%)

Cost of funds refers to Chase Bank's internal cost of funds. Cost of funds generally fluctuates with movements in the like-term Treasury or any liquidity premiums that exist in the financial markets. Fixed rates could increase prior to signing loan documents if the index or lender's cost of funds increase.

**Repayment:** During Construction → Accrued interest monthly  
 After term out (option 1) → \$3,333.33 Principal plus accrued interest due monthly  
 After term out (option 2) → \$5,144.54 including principal and interest due monthly (estimated)

**Fees:** No origination fee.

**Third Party Fees:** ALTA Extended Title Policy (TBD)  
 Appraisal (TBD)  
 Environmental Review (TBD)  
 Construction progress review (TBD)

**Collateral:** 1st Deed of Trust on property known as Kamp Kippa – ALTA Extended Title Policy required

**Advance Rate:** 70% Maximum of Appraised Value

**Prepayment Penalty:** Under LIBOR floating rates options, NO prepayment penalty.

The prepayment penalty is 5%-yr 1, 4%-yr 2, 3%-yr 3, 2%-yr 4, 1%-yr 5, and Zero thereafter, of the outstanding principal balance at the time of prepayment if paid in full under the fixed rate option.

**Insurance Requirements:** At all times throughout the loan term. The Borrower shall, at his sole cost and expense maintain liability, property damage and other insurance as is required pursuant to the Loan Agreement and shall pay as the same becomes due and payable, all premiums in respect thereto.

**Financial Requirements:** Annual financial statements – Guarantor & Borrower

Thank you for considering JP Morgan Chase Bank, NA to assist with your financing needs. It has been a pleasure to work with you. If you have any questions, please do not hesitate to call me at 480-970-7205.

Sincerely,



Steven R. Spangler  
 Vice President

# Financing Plan

- Kamp Kipa Board is requesting approval to secure financing. ( Credit Line )