

MEMORANDUM

July 10, 2017

From: Donald B. Wildman
To: WPC Master Plan Steering Committee and WPC Session
cc: Pineville WPC1, LLC Members
Re: 112 Pineville Rd., Spartanburg, SC

This is to provide information about the recent purchase of 112 Pineville Dr., a house and lot near but not contiguous to the church office. This information may be shared as you see fit.

In 2016 the owner of 112 Pineville, Mrs. Foster, let the church know that she would be selling her home. The church signed a contract to buy for the appraised value of \$267,500.00. The purchase was approved by the congregation on the condition that the property would be approved by the city zoning board to allow church use.

For various reasons the city denied the request for church use in February, 2017.

At a meeting on March 5, 2017, the session received a report on the denial and, in accordance with the congregation's decision, confirmed to Mrs. Foster that the church could not buy her house. There was some discussion as to whether or not the session should call a meeting to ask the congregation to waive its original church use condition and approve of the purchase anyway. That idea was not approved.

After the session meeting, a few people in attendance met with me to discuss a private purchase of the property and how that might fit into the ongoing activities of the Master Plan project. Thereafter, I organized Pineville WPC1, LLC, recruited a few willing church members as investors, adopted a business plan and bought Mrs. Foster's property at 112 Pineville Road on April 27, 2017. The church and the session have no legal or contractual connection with the new LLC. Nevertheless, the church could benefit in the future, depending on the decisions of the congregation about the need to expand the church property.

The following are excerpts from the LLC investors' business plan Memo as it pertains to the church. I hope this answers any concerns or questions people may have.

"1. Business Purpose of Pineville WPC1, LLC.

To acquire the residence at 112 Pineville Road, Spartanburg, SC from the current owner who is determined to sell the property and move at this time. The church leadership and the congregation need additional time to process whether or not the

church would benefit from ownership of the property in its future plans. In order to allow a reasonable amount of time for that decision making process to occur, the investors will acquire the real estate with commercial bank financing and hold it for a limited period of time. Depending upon the process and the decision of the congregation, the investors will either sell the property to the church for no profit but covering its costs, or sell the property on the open market for its fair market value. Either way the commercial financing will be paid off.....

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3. Exit Strategy.

The property will either be sold to the church for no profit after recovery of all costs and expenses or it will be marketed for resale as a single family home for fair market value. If the church buys the property, it will be no profit (break even to the investors). If the property is sold on the open market it will be at fair market value under a reasonable marketing schedule and plan using professional realtor services. There is no expectation the property will be sold at a profit, and it may actually end up being sold at a net loss. It is not the intent to speculate and hold the property on a longer term basis in order to maximize a profit.

4. Investment Requirements and Financing.

.....Unless the discernment process with the church master plan proceeds more rapidly than anticipated, we will try to rent the property on a short term basis to produce rental income to offset as much as possible the operating expenses of the property. A property management professional may be engaged. We do not anticipate spending any substantial sums to renovate or maintain the property prior to the time it is sold.

5. Neither affiliation nor Endorsement.

Neither the LLC nor the investors as a group represent or are affiliated with the session or board of directors of the church.

The purchase of the property by the investors should not be understood to be an endorsement of the notion that the church should buy or use the property either now or in the future.”