

The sale of Camp Manitou closed on Wednesday, May 31, 2017. The purchase price for the sale was \$617,000. The buyer took possession of the property and contents as is and where is. Fees including taxes, realtor commissions, deed transfer, title insurance, and wire transfer to close the sale totaled \$44,475.88. Consequently, a final total of \$572,524.12 will be transferred to an Affiliate Investment Pool B account created to hold the proceeds from Camp Manitou. Acceptance of this purchase agreement was recommended by the campground sales team and the mission center officers, supported by the field leadership, and approved by the Presiding Bishopric.

Overview of Timeline Leading to Sale

November 3, 2012 – Mission Center Conference approved the Campground Evaluation Resolution.
January 2014 – A Campground Study Team was formed to carry out the directives in the resolution.
April 11, 2015 – A special conference was held to consider the final report of the Campground Study Team. The conference adopted a resolution to sell Camp Manitou and The Woodlands.
May 2015 – The Campground Sales Team was appointed to assist the mission center officers with managing and marketing the properties for sale.
February 2016 – Independent appraisals were completed for both properties and Real Estate Professional Services, Inc. was contracted to list the properties for sale.
March 10, 2017 – An initial offer was received from the eventual buyer. The sale closed on 5/31/17.

Negotiations Leading to Sale

Attachment G to the final Campground Study Team report presented to the April 11, 2015 special conference included an evaluation dated 2/14/15 prepared by Real Estate Professional Services, Inc. with a property value for Camp Manitou in the range of \$725,000-\$885,000 and a 2013 property valuation provided by LandUseUSA for \$660,000. After failing to receive any listing agreements from realtors in response to a request for proposals due July 2015, the Campground Sales Team solicited services for an independent appraisal to help determine a listing price. An appraisal completed by Dave Waszak, MAI dated 12/22/15 provided a market value opinion for Camp Manitou of \$760,000.

Prior to listing Camp Manitou for sale, the Campground Sales Team received a Memorandum of Understanding dated 10/1/15 to negotiate for the sale of land and buildings surrounding the lodge and pavilion. Splitting the property in this fashion was deemed to be an unwise course to maximize the value of the property and allow for opportunities to complete a sale of all property.

Camp Manitou was listed for sale in February 2016 with an asking price of \$829,000. In August 2016 the listing price was lowered to \$795,000. The first offer to purchase the entire property was received on 9/30/2016 for the amount of \$525,900. A counter offer was made for \$712,900. No further response was received. A religious group made an offer at the end of February 2017 to lease the campground for eight weeks in the summer of 2017, with the option to purchase the property following the summer rental. Negotiations were completed for the summer lease, but the group's financing then fell through.

An offer was received on 3/10/17 for the amount of \$425,000 to purchase the property and contents as is and where is. A counter offer was made for \$695,000. A second offer was received from the buyer on

3/27/17 for the amount of \$500,000. A verbal counter offer was made for \$675,000. A third offer was received from the buyer on 4/3/17 for the amount of \$600,000. A counter offer was made for \$625,000. This offer was accepted on 4/24/2017. During further inspections of the property damages that occurred both before and after the initial viewing of the property were identified. An agreement was reached on 5/24/17 to reduce the purchase price to \$617,000 to accomplish the sale.

Rationale for Approving the Sale

For the 2015 fiscal year (the last year of operation) Camp Manitou incurred a net loss of \$18,939.54. Maintaining Camp Manitou during 2016 with a caretaker on site and no usage resulted in a loss of \$31,794. Expenses for 2017 without a paid caretaker were estimated to reach \$30,000. In December of 2015 significant damage was incurred to the maintenance shed due to a fallen tree. Costs of repairs were covered by an insurance claim. In March 2017 damage caused by vandalism and heavy snow was discovered in two buildings near the waterfront. Damage to the pavilion roof and lodge eaves was incurred in March 2017 due to fallen trees. Purchase of a used lawn mower was required in the spring of 2017 to allow the volunteer living on site to maintain the property. In April 2017 a water pipe leak was discovered on the property.

The opinion offered by the appraiser for the highest and best use value (development of estates) used to set the initial list price was over one year old and the condition of the property was declining due to damages and deferred maintenance needs. Given the ongoing costs to maintain the property, the continued risk of owning a vacant facility, and the likely decline in the condition of the property, the mission center officers recognized a need to accept a purchase offer lower than the appraised value. It seemed likely that any higher offer which might be received would likely be offset by the continuing costs incurred for maintenance during that additional time on the market.

Determining Net Proceeds

The Michigan Mission Center has been loaning funds to Camp Manitou accounts since 2015 to provide for necessary operations and pay for the appraisal. Once final income and expenses are determined for the 2017 fiscal year through May 31, the closing loan balance will be repaid to the mission center from the investment pool account established with the \$572,524.12 deposit from the sale. The remaining balance in the investment pool and any interest earned will be the net proceeds of the sale.

Use of Net Proceeds

In accordance with the Community of Christ net proceeds policy, the mission center officers will be responsible for developing a proposal for the use of net proceeds in consultation with the field apostle and the mission center council. The resolution to sell Camp Manitou indicates that the net proceeds "shall be utilized for pursuing mission through the development of campground properties and mission center camping and gathering activities." The mission center officers will develop and guide a dialogue and discernment process in the coming months to explore ideas and options for the use of net proceeds. Conversation will occur at summer reunions and August budget presentations. Additional feedback through surveys may also be gathered. To provide for an open and Spirit-led discernment process, no deadline or expectation is in place at this time for bringing a proposal to a mission center conference.