

NEW CHURCH HOME UPDATE



Our New Church Home – 1183 Quarry Lane

DECEMBER 2, 2016

Dear GraceWay Family,

Significant progress has been made toward getting our new church home ready and the information below is provided to bring you up to date on the work done and what remains in front of us. We have also included a number of photos of progress at the end of this update. As always, we encourage you to talk to an elder or facilities team member if you have questions or comments to share.

Renovation Progress

Q. WHAT HAS BEEN COMPLETED SINCE THE AUGUST AND SEPTEMBER UPDATES?

A. Since the August 26 and September 15 updates, the following construction items have been completed:

1. The earthquake safety/seismic retrofit on the entire building has been completed.
2. The new roof has been installed. The roof cap flashing has been installed and will be painted soon.
3. New ADA compliant restrooms on Condo Unit 1 (the side we are selling) have been finished.

4. New roof curbs for mechanical equipment have been purchased and are awaiting installation.
5. Architectural Tenant Improvement drawings for the Church Unit 2 have been finished, submitted and approved by the City. A permit will be issued following the approval of the Condominium Application (see info below).
6. A congregation work day was held which included trimming of trees and bushes, landscaping clean-up, debris haul-away, window cleaning and interior cleaning of Condo Unit 1.

Q. WHAT ARE THE NEXT CONSTRUCTION STEPS?

A. Bids have been received for exterior sidewalks, ramps and curbing, ADA accessibility including new handicapped parking stalls, exterior building trim and painting, covering for seismic bolts on exterior walls at the roofline, and parking lot slurry coating and striping. Following review and approval, the elders have authorized this additional work which will begin next week.

Q. WHEN WILL CONSTRUCTION BEGIN ON CHURCH UNIT 2 TENANT IMPROVEMENTS?

A. In order to be consistent with the stewardship values established by the elders, and as noted when the Quarry Lane plan was first approved by the congregation, finishing the GraceWay side is dependent on selling Condo Unit 1. The start of the final phase of construction will be determined once the Condo Unit 1 sale is underway.

Sale of Condo Unit 1

Q. WHAT PROGRESS HAS BEEN MADE ON THE SALE OF CONDO UNIT 1?

A. As previously reported, marketing materials have been sent out. Contacts with prospective buyers and other agents are being made. A number of inquiries have been received and the building has been shown to several prospective buyers. Even though we do not have a buyer yet, indications are that the property is positioned properly and the market continues to have a low inventory of properties for sale.

Q. ISN'T THIS TAKING LONGER THAN PLANNED?

A. Yes and no. We were advised by the real estate professionals over a year ago to plan a minimum 10-month sale process which we shared with the congregation last January. We are now beginning month 6 of active marketing and a sales contract with a buyer typically takes 3-4 months to conclude, so we are currently within the overall time frame. However, it had been our hope to commence marketing sooner (following completion of the demolition and clean-up required to show the building) in order that this process might be concluded by late this fall. Because construction made it impossible to show the building before early July, our 10-month time frame will carry over into the new year.

Q. SO WHEN WILL WE MOVE IN?

A. We won't know the answer to this question until we have a buyer for Unit 1. We trust in the provision and timing of God who is faithful always and we are committed to not getting ahead of where God is taking us.

Q. IS THERE A TIME LIMIT ON THE BRIDGE LOAN WITH PONDEROSA?

A. As noted at the congregational vote, Ponderosa Homes has provided a 21-month time frame for the process of repaying the bridge loan.

Q. WHAT IS CURRENTLY BEING DONE TO SOLICIT PROSPECTIVE BUYERS?

A. The latest marketing brochure is being readied and will be sent out early next week to real estate agents all over the Bay Area. Additionally, the exterior of the building is being upgraded which will help the building show well to prospective buyers. Real estate activity usually lessens around the holidays and so another marketing announcement will also go out after the first of the year.

1183 Quarry Lane HOME OWNERS ASSOCIATION (HOA)

Q. WHAT HAS BEEN COMPLETED SINCE THE LAST UPDATE IN SEPTEMBER?

A. Work on the condominium HOA has been proceeding throughout this time. The following milestones have been reached:

1. The “1183 Quarry Lane Homeowners Association” has been incorporated and registered with the California Secretary of State.
2. Final drafts of the new 1183 Quarry Lane Homeowners Association documents (Bylaws, CC&R’s) have been completed.
3. Valley Business Park Board of Directors have approved the CC&R’s.
4. The Condominium Tentative Map has been prepared and submitted to the City for approval by our civil engineer.
5. The 1183 Quarry Lane Board of Directors (Craig Wissman, Hal Swanson, and Kaveh Gooyandeh) have met and approved the initiating resolutions for the HOA.
6. Work has been done with the City of Pleasanton staff to define the Conditions of Approval (COAs) for the condominium plan in preparation for the approval hearing.

Q. WHAT ARE THE NEXT STEPS?

A. An Administrative Hearing with the City of Pleasanton has been scheduled for December 15 to consider and approve the condominium request. Once approval is received, a Final Plan will be drafted, the Conditions of Approval will be fulfilled and the Condominium map will be recorded with the County of Alameda along with all necessary legal documents. At that point the HOA will be official and once Unit 1 has been sold, the new owner will occupy one of the three seats on the HOA Board.

Timing

WHAT ARE THE REMAINING STEPS AND TIME FRAMES WHERE KNOWN?

The final steps in this process include:

- Finding a buyer for Condo Unit 1 and closing the sale (closing takes approximately 3-4 months).
- Approval of tentative map for condominium unit by City scheduled for December 15 (Add 1 month for additional work following approval).
- Completion of Homeowner’s Association filings (concurrent with map timing above).

- Completion of exterior upgrades - Handicapped accessibility, walkways, exterior painting, landscape update, parking lot (1-2 months).
- Completion of GraceWay Unit 2 tenant improvements (10-14 weeks) once sale is underway.

Some of these steps will happen concurrently. The most significant step is to close the sale on Condo Unit 1 which will provide final resources for all other steps to be completed.

Progress Photos

VISUAL UPDATE ON PROGRESS FOR OUR NEW CHURCH HOME.



Street view following work day landscaping.



Partial view of Unit 1



Photo 1 This is the Unit 1 warehouse space looking at the dividing wall between the two sides.



Newly painted lobby for Unit 1



This is a view looking toward the front of the GraceWay Unit 2 where the classrooms, youth room and offices will be.

For Sale - R&D Building
1182 Quarry Lane, Unit A, Pleasanton, CA

For Sale - R&D Building
1182 Quarry Lane, Unit A, Pleasanton, CA

- ◆ New roof - \$5.36/SF
- ◆ New HVAC - \$6.25/SF
- ◆ New structural upgrade - \$10.28/SF
- ◆ Parking lot resealed, paint & landscaping - \$4.6
- ◆ Clean interior shell with new restrooms - \$11.4
- ◆ Total Upgrades: ±\$38.00/SF

14,417 Square Feet Available

PROPERTY HIGHLIGHTS

- ◆ Single story, 100% construction with both stock and grade level loading
- ◆ New roof and HVAC
- ◆ 48 Parking spaces
- ◆ Other include office, 1000 and light industrial interior uses such as after school care and daycare could be achieved with ease
- ◆ Plans to re-site entrance and driveway
- ◆ Asking \$3,375,000.00

**Newmark
Corrish & Carey**

The newest marketing flyer goes out next week. The sales plan includes a 10-month sale process. Please continue praying for God's provision of a buyer so that we can conclude the sale as quickly as possible.



Where needed, new roofing plywood has been installed. Structural inspections have been completed.



The new roof has been installed. HVAC equipment "curbs" will be installed on which the new air conditioning units will be mounted.