

Frequently Asked Questions (FAQ)

Resolution for the Proposed Phase 2 – Second Story Mezzanine Addition in current Rise and Build Building Project

This FAQ is designed to provide information about the resolution that will be voted on at the upcoming Harvest Community Church(hereafter referred to as ‘Church’) Special Business Meeting on September 13, 2026. This resolution authorizes the Church Board to proceed with the change order to add a second story mezzanine to the current building project, also known as Rise and Build, including an increase in construction loan financing, amending the current contractor’s contract, and extending the total project timeline. If you have additional questions, please reach out to the Church Board or leadership team by sending an email to info@harvestfamily.net. Hereafter, Phase 2- Second Story Mezzanine Building Project will be referred to as Phase 2.

1. What is the Phase 2 Project scope?

The Phase 2 Project scope will add approximately 9,000 additional square feet of finished space to the current Building Project at 3700 Market St, Roseville, CA. The space will include additional restrooms, 9 classrooms, an elevator and two stairways. Two of the classrooms are open-air classrooms, and one is a smaller classroom that may be used for dedicated media recording. One large classroom on the second story will accommodate large groups.

2. How Much Will The Phase 2 Project Cost?

The current estimated cost of the Phase 2 Project is \$4,300,000. This estimate includes architectural design fees, permit fees, structural engineering fees, contractor’s estimated costs including structural steel, mechanical, electrical, plumbing, flooring, elevator, stairways, framing, drywall, paint, ceilings, and all other elements required for an occupancy permit. It also includes estimated delay costs associated with any delays on the current project.

3. How will Harvest Church Fund the Phase 2 Project?

The funds needed to complete the \$4,300,000 budget for Phase 2 will come from the following sources:

1. An additional \$2,300,000 Grant from an anonymous donor who also Granted to Harvest Church \$5,000,000 for the current building project.
2. An increase of \$2,000,000 in construction loan funding from the anonymous donor that is providing the \$8,000,000 construction loan funding for the current building project.
 - a. The interest on the additional \$2,000,000 will not start accruing interest or become due until 1 year following the completion of the current building project, including the Phase 2 project.

4. Why are we pursuing this project?

The building was designed for a second floor since inception. However, budget constraints prevented Harvest Church from including the second story in the initial phase of construction. The plan was to revisit the second story project after the church's financial revenue could support the cost.

Near the beginning of August 2026, the anonymous donor asked the church how much it would cost to complete the Second Floor of the new building now. Bob Reeve and Pastor George Negrete obtained an estimate of the cost to complete the Second Floor and shared the estimate with the donor. The donor in turn offered the church an additional \$2,300,000 granted (a gift) and an additional \$2,000,000 in construction loan funding if the church finished the second floor now.

The Church Board considered the offer, opportunity and cost of delays on the current project and future obligation of the increase in debt. The Board believes this is a unique opportunity to finish the second floor at the same time the church is building the current building. The cost to install a second story after the building is constructed and in use would be significantly more expensive than the current \$4,300,000 estimate to complete it now. Also, the Board considered the fact that \$2,300,000 is being offered as a grant now to complete the second floor, but there is no guarantee that an offer like this will come again in the future. Additionally, the additional \$2,000,000 construction loan financing at very favorable terms and 0% interest accrual and \$0 payments due for 1 year after completion allow for growth in the new church building which will likely result in growth in contributions.

5. What exactly are we voting on at the Business Meeting?

The resolutions authorizes the Church Board to:

- Approve the General Contractor's Change Order for the Phase 2 Project

- Increase the Construction Loan financing agreement (loan) an additional \$2,000,000 to fund Phase 2.

- Designate Pastor Paul Gottlieb and the Church Secretary, Currently Dr. Brian Snook, as authorized signatories to execute necessary documents.

A vote in favor ratifies these actions and empowers the Church Board to move forward on Phase 2. The resolution will require a 2/3 majority vote of the Voting Members present.

6. Will Phase 2 Project Delay The Current Building Project?

Yes, if the resolution prevails and the Board moves forward with Phase 2 Project, the new estimated completion date for the total of both projects is at the end of Summer 2027. The estimated delay is 4-6 months.

7. Why Is A Membership Vote Required to Approve Phase 2 Project?

According to the Church's Bylaws, a 2/3 majority vote of the Voting Members at a qualified Annual Business Meeting or Special Business Meeting is required to approve contracts or purchases that exceed 10% of the annual budget. The Church's Bylaws state:

Article 10, Section Six: Restrictions on Expenditures

Any single transaction or project that contemplates an expenditure or debt in excess of a sum equal to ten percent (10%) of the annual general fund budget must first have approval of the membership. Approval of the membership in this regard shall require a two-thirds affirmative vote to authorize such expenditure.

8. How many votes are required to approve the resolutions?

According to the Church's Constitution and Bylaws, at least 33% of the voting membership of the church would constitute a quorum for the Business meeting and allow business to proceed. The motion to approve the Building Project resolutions would require a 2/3 majority vote by ballot. (Article 6, Section 2, sub-section F & Article 9, Section two)

Voting Membership as of January 20, 2026= 218

33% required for a quorum= 72

Article 6, Section 2, sub-section F

F. Quorum for any Annual Business Meeting or Special Business Meeting of the membership of this church is established by the presence of at least 33% of the Voting membership of this church.

Article 9, Section 2: Restrictions on Acquisition and Alienation:

No real property of this church shall be purchased, taken or otherwise acquired, sold, transferred, mortgaged, leased, assigned, conveyed or otherwise alienated, without the same shall have been first authorized by a two-thirds vote of the Voting members present and voting at an Annual Business Meeting or Special Business Meeting of the membership called for that purpose, at which is a quorum has been established.

9. Can I Vote By Proxy Or Absentee Ballot?

No, proxy or absentee ballots are not allowed according to the church's constitution and bylaws. Here is an excerpt from the church's bylaws:

Article 6, Section 2, sub-section G

G. Proxy voting and absentee balloting shall not be allowed in conduct of business at any meeting of the membership, nor any sort of representation of absentees for purpose of establishing a quorum.

10. What are the details of the proposed revised financing from the anonymous donor?

An anonymous lender (the "Lender") is providing up to \$17.3 million:

- \$7.3 million (Currently \$5 million) at 0% interest with no payments due in perpetuity, under the Foundation Program Related Investment Agreement (Exhibit).
- \$10 million (Currently \$8 million) at an 0% interest, under a separate agreement (Exhibit).

The additional \$2,000,000 increase in construction loan funds for the second floor-Phase 2 project, will not accrue interest, or be payable until 1 year after the construction completes on the entire project.

The Lender also wishes to remain anonymous except to the Church Board. These terms are designed to minimize financial strain on the church.

11. Who is building the Phase 2 project?

Reeve-Knight Construction, Inc. as the general contractor for the current project and will also lead Phase 2 project. Reeve-Knight will consider Phase 2 a change order to the current project and utilize all current sub-contractors. An exception to this is the elevator contractor and the steel provider. Multiple bids will be collected for these trades. (Exhibit). This agreement outlines the scope, timeline, and costs for constructing Phase 2.

12. Who is authorized to sign documents and make decisions?

Senior Pastor Paul Gottlieb and the Church Secretary, acting together as joint signatories and at the direction of the Church Board, are designated as the authorized persons to execute all necessary documents. Any prior actions taken in line with these resolutions are ratified.

13. Are the attached exhibits (agreements) final?

The exhibits in the resolutions draft may be redacted for anonymity, but redactions will be removed before final execution. The Voting Members are approving the form, terms, and provisions of these documents as presented.

14. What if I have concerns or want more details?

The Church Board is available to discuss any aspects of the project. Full, unredacted documents are handled confidentially by the Board to respect donor and lender privacy. We encourage open dialogue to ensure everyone feels informed before the vote.

15. Why is the Grantor (donor) anonymous?

The Grantor has requested anonymity from all except the Church Board to maintain privacy. This is a common practice in large charitable gifts, and the resolutions respect this by redacting identifying information in shared documents. Full details will be available to the Board for execution.

Thank you for reviewing this FAQ. Your participation in the Business Meeting is vital as we prayerfully consider this exciting step forward for our church community. If approved, this project will enable us to better serve God and our neighbors in Roseville.