INSIDE THE BIGGER STORY

MARCH 1, 2021

NATIONAL COVENANT PROPERTIES

YOU INVEST • WE LEND • MINISTRY GROWS

50 YEARS and growing

THANK YOU FOR 50 YEARS OF MINISTRY PARTNERSHIP

We began 2020 celebrating our 50th anniversary at Midwinter, an event that now seems a lifetime ago. Then COVID-19 spread, and the church buildings we were celebrating building, expanding, and remodeling closed their doors to protect their congregants. However, in a year where phrases like "socially distanced" became part of daily vocabulary, and we all donned masks when leaving our homes, the ministry of those churches remained very much open and alive.

One of our greatest joys was hearing stories of how God was at work within our Covenant churches. We heard stories of record giving, parking lot services, drive-through baptisms, and community food drives. Inside this newsletter are the stories of two churches, On Ramps Covenant Church in Fresno, CA, and Harbert Community Church in Harbert, MI.

While we celebrate with our churches, we also acknowledge that many of our churches and ministry partners are still experiencing deep grief. As much as we rejoice with those who rejoice, we also mourn with those who mourn, and hold both in prayer individually and as a staff.

REAL ESTATE SERVICES UPDATES

The Real Estate Services Team of NCP continues to provide resources to conferences and churches during this time of limited interaction due to the pandemic. Below is a suite of virtual seminars that we are prepared to present virtually for your conference.

We can also work individually with conferences to develop virtual seminars to meet your specific needs.

MISSION, MINISTRY & MAINTENANCE

MANAGING FINANCES & FACILITY DURING A TIME OF CRISIS & BEYOND

USE OF THE CHURCH BUILDING BY OUTSIDE GROUPS

Contact Rob or Rollie to schedule a seminar for your conference

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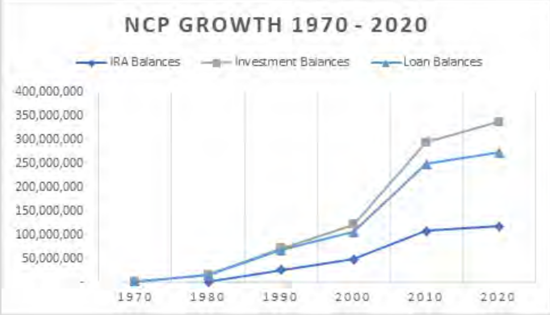
FIVE DECADES OF MINISTRY - THANK YOU!

Even though 2020 was a year like we never would have imagined, we are grateful for the amazing and faithful ministry by our Covenant churches and affiliated organizations and that our team at NCP is invited to share in this ministry. We continue to pray for the spiritual and physical health of our churches during this ongoing pandemic.

What a blessing it has been for NCP to have been part of the bigger story for the last 50 years. There have been so many great ministry stories and transformations of lives as a result of the vision and dedicated commitment of Covenanters.



Recently, I had the opportunity to spend time with my three predecessors to reflect on the ministry of NCP. What an honor and special opportunity it was for me to hear and learn about their stories as they shared about the history of NCP. You may visit our website to watch the video of our conversation and learn more about the story and growth of NCP.

I am thankful for the legacy of NCP and its impactful, relevant, and meaningful history. As we continue to collaborate on new ministry opportunities and initiatives over the next 50 years, I invite you to be a part of the bigger story. We appreciate our very loyal and dedicated mission-minded investors and all the churches, camps, and other Covenant affiliated organizations that have trusted NCP to help them with their facility and ministry projects.

Together we can move the ministry forward and reach more people for God. Our dedicated staff takes great joy in being called to work for NCP. It has been our honor to serve you, our Covenant family, for the last 50 years, and it will be our privilege to continue serving you for the next 50. Thank you for five decades of stories and ministry growth!

Peter Hedstrom, President

HARBERT COMMUNITY CHURCH

HARBERT, MI

Harbert Community Church has been providing hope and uniting people in common mission through faith in Christ. The church was founded in 1928 by a group of women who were known as the Ladies' Aid Society initially looking to start a Sunday school program for children. Through their unified efforts and commitment, Harbert Community Church was founded in the small lakeside community of Harbert, MI.

Rev. J.O. Walton, the first pastor, described Harbert Community Church as seeking to be undivided by denominational differences and united through shared faith in Jesus Christ. His initial vision has continued to shape the identity and mission of Harbert and remains a core conviction that guides the church today.

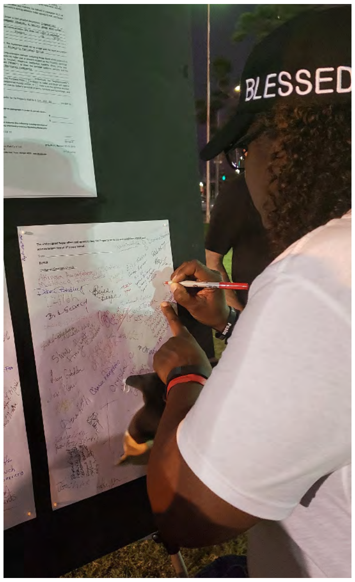
They purchased their current property in 1966 and broke ground in 1967 on a two-phase building project that was completed in 1984. The church completed a floor to ceiling renovation in late 2020 that included updates to almost every inch of their building. They named their project "Generation to Generation." The renovation included a new entrance with vestibule, the reconfiguration of the floowplan in their lobby, sanctuary improvements, an extensive kitchen remodel, updated youth and children's wing, new windows, a wheelchair accessible restroom, new heating and cooling, a brightened Fellowship Hall, and more.

We're thrilled for Harbert Community Church and the completion of their project which enhances their ability to use their building as a ministry tool!

ON RAMPS COVENANT CHURCH

FRESNO, CA

"We are keenly aware of the doors God has opened for On Ramps, and don't know how it could have happened, without NCP," said Phil and RIci Skei, co-pastors of On Ramps Covenant Church in Fresno, CA. On Ramps is located in a neighborhood filled with dilapidated buildings, a neighborhood that lacks celebration of physical property. Phil and Rici lit up as they shared how the physical transformation of their church building has literally opened the door for them to share how God transforms lives. As Rici stated, our lives are in a constant state of construction, not unlike their building, and if we submit ourselves to the lord, there's no limit to the walls He can knock down within us, or the renovations that can take place in our hearts and minds.



Pre-COVID, they were giving multiple tours a day as people drove or walked by the building and wanted to see the inside. Their building has been known to the neighborhood for years, but not with the sense of pride to the residents it is now. As On Ramps raised capital for their renovations, their members sold tacos or baked brownies to raise funds to donate to the capital campaign. Others who didn't have money to donate, donated time and skills. When On Ramps celebrated their 8th birthday, they blew up a copy of the purchase agreement for their building for their members to sign. For many, this represented the first piece of property they have owned in their lives.

REFLECTIONS FROM THE CHAIR OF OUR BOARD

Jon Brorson joined our board over 25 years ago, and has been an integral part of the team providing guidance for nearly half our history. Recently we asked Jon to share some thoughts with us regarding his role on our board.

What was your motivation for joining our board over 25 years ago, and why have you continued to serve?

I was motivated by a desire to serve the church at a denominational level. I have stayed due to a sense of God's calling; that I can contribute on a practical level.

How has being a board member impacted you?

NCP is a partner to a broad cross-section of Covenant entities, with diverse financial needs. The impact to me has been a sense of gratification, that I am contributing to God's mission in this world, meeting the needs of people.

What are your hopes for NCP as we celebrate our 50th anniversary and look toward the next 50 years of ministry?

I think National Covenant Properties over the past 50 years has done a very good job with being careful stewards of our investors' monies, while at the same time never forgetting, and supporting the mission of the church. The next 50 years will bring many changes, and new financial demands and complexity, and I pray that NCP will continue to do both – financial stewardship with supporting the work of the Covenant Church.

THE SECURE ACT - WHAT YOU NEED TO KNOW

The SECURE ACT was signed into law on December 20, 2019, with most changes going into effect after December 31, 2019. This new legislation includes several changes to IRAs. We've highlighted some of the changes that we know impact our investor base below. We are working closely with our IRA consulting firm to make sure our documents are up to date and amendments and any other pertinent information will be sent as they become available.

- **Required Minimum Distribution (RMD) age increased from 70 1/2 to 72.**

  Prior to the SECURE ACT, most Traditional IRA holders were required to start taking RMDs in the year in which they turned 70 1/2. Now, that required beginning age has changed to 72. Any IRA holder with a birth date before July 1, 1949, began taking RMDs the year they turned 70 1/2 and every year thereafter. Any Traditional IRA holder with a birth date on or after July 1, 1949, must begin taking an RMD the year they turn 72. NCP has always, and will continue to provide extensive RMD support. *It is important to note that although the RMD age has changed to 72, you can still make Qualified Charitable Distributions from your IRA beginning at age 70 1/2.*

- **There is no longer a maximum age for Traditional IRA contributions.**

  As long as you have earned income, you may contribute to your Traditional IRA regardless of your age, even if you have already begun to take RMDs.

- **Eliminates the Stretch IRA provision.**

  Prior to the passage of the SECURE ACT, a beneficiary of an IRA could "stretch" distributions from their Inherited IRA over their lifetime. Now, these accounts must be fully paid out within 10 years after the account owner's death. There are exceptions to the 10 year rule for beneficiaries who are a spouse, minor child of the decedent, disabled or chronically ill (including certain trusts for disabled and chronically ill), and beneficiaries who are not more than 10 years younger than the deceased IRA owner, who still may take life expectancy. For most beneficiaries, there is no longer a life expectancy payment that must be taken each year; instead, the beneficiary has the option to withdraw any amount each year provided the balance of the inherited account is fully distributed by December 31 of the tenth year following the original account holder's death. This change *does not* impact the ability of a spouse beneficiary to "treat as own." For death prior to 1/1/2020, beneficiaries may continue to take life expectancy.

Please don't hesitate to call our office at 800.366.6273, or email ncp@nationalcovenantproperties.org with any questions related to the SECURE ACT. We have certified IRA specialists on staff who are available to answer your questions.