

Placement Agent – George K. Baum & Company

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RIDER MUSSER DEVELOPMENT, LLC

\$57,810,000*

**Cumberland County Industrial Development Authority
(Commonwealth of Pennsylvania)
Taxable Revenue Bonds
(Rider Musser Development, LLC Project), Series 2018**

Rated “A-” (Stable Outlook) by S&P Global Ratings

Guarantor: Messiah College

SALE DATE: Wednesday, October 10, 2018

* Preliminary, Subject to Change

INVESTOR PRESENTATION

This presentation should be read in conjunction with the preliminary limited offering memorandum dated September 27, 2018 found on the McElwee & Quinn website.

The 2018 Bonds are being initially offered for sale only to "qualified institutional buyers" ("Qualified Institutional Buyers") within the meaning of Rule 144A, and may be subsequently resold by the Holders thereof only in accordance with the transfer restrictions set forth in the preliminary limited offering circular under the caption "RESTRICTIONS ON TRANSFER OF 2018 BONDS". Each initial purchaser of a 2018 Bond is required, as a condition to the initial sale and to any permitted transfer or exchange during the one-year period following the date of issuance and delivery of the 2018 Bonds (the "Restricted Period"), to execute and deliver an Investor Letter to the Placement Agent in a form set forth in APPENDIX G of the preliminary limited offering circular.



Series 2018 Overview & Timing

- ❖ **Issuer:** Cumberland County Industrial Development Authority (Pennsylvania)
- ❖ **Borrower:** Rider Musser Development, LLC
- ❖ **Guarantor:** Messiah College
- ❖ **Rating:** “A-” (Stable Outlook) by S&P Global Ratings
- ❖ **Borrowing Size:** \$57,810,000*
- ❖ **Use of 2018 Bond Proceeds:** (1) the acquisition, construction and equipping by the Company of a 314-unit residential rental community, which comprises Phase I A and Phase I B of a planned residential neighborhood and business park to be located in Upper Allen Township, Cumberland County, Pennsylvania, (2) the funding of capitalized interest on the 2018 Bonds, and (3) the payment of costs of issuance of the 2018 Bonds.
- ❖ **Primary Security:** In order to secure the 2018 Bonds and its obligations under the Loan Agreement, the Company and the Issuer shall enter into an Open End Mortgage, Security Agreement, Assignment of Leases and Fixture Filing dated as of October 1, 2018 (the "Mortgage"), pursuant to which the Company shall (a) grant to the Trustee a mortgage lien on and security interest in its interest in the Project Facility and the real property on which it is located and (b) assign to the Trustee all rents, residency agreements, leases, subleases, licenses or occupancy agreements with regard to the Project Facility; and the Company and the Trustee shall enter into an Assignment of Project Documents, dated as of October 1, 2018 (the "Assignment of Project Documents"), pursuant to which the Company shall assign to the Trustee all of its right, title and interest in, to and under all agreements and documents relating to the construction and operation of the Project Facility (including the construction contract, architect's agreement, the plans and specifications for the Project Facility and the Facility Management Agreement described under "THE PROJECT FACILITY – Facility Management Agreement"). See "SECURITY FOR THE 2018 BONDS" and APPENDIX C – "MARKET FEASIBILITY STUDY" in the preliminary limited offering circular.

In addition, the College is executing and delivering a Guaranty Agreement (the "Guaranty") dated as of October 1, 2018 in favor of the Trustee, pursuant to which the College will guaranty the payment by the Company of debt service with respect to the 2018 Bonds while the 2018 Bonds remain Outstanding. **The Guaranty shall only secure the Company's debt service obligations with respect to the 2018 Bonds and will not secure the Company's obligations with respect to any Additional Bonds or other indebtedness of the Company.** See "SECURITY FOR THE 2018 BONDS – The Guaranty" in the preliminary limited offering circular.
- ❖ **Debt Service Coverage Ratio:** 1.00x
- ❖ **Final Maturity:** November 1, 2053*
- ❖ **Fixed Rate Optional Redemption:** November 1, 2028* at 100% with Optional Make-Whole Redemption
- ❖ **Sale Date:** Wednesday, October 10, 2018*
- ❖ **Dated Date / Closing Date:** Wednesday, October 17, 2018*

* Preliminary, Subject to Change

Contacts

George K. Baum & Company is happy to arrange phone calls and/or visits with the College and/or Rider Musser Development, LLC.

George K. Baum & Company Underwriting Contacts

- Lisa May, *Senior Vice President, Underwriting*
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- Marc Dispense, *Executive Vice President & Manager of Underwriting*
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George K. Baum & Company Banking Contacts

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Messiah College Campus & Rider Musser Development, LLC Property

Rider Musser Development, LLC Property



Messiah College Campus (400+ Acres)



Note: Rider Musser Development, LLC property, comprising three tracts of land formerly known as Rider, Musser, and Mummau, is located adjacent to the College President's Residence (#29 on the Messiah College campus map).

Messiah College Selected Institutional Highlights

- Messiah College was named the **#1 Best Christian Business Degree Program** for 2017 by Christian Universities Online for both its undergraduate and graduate level programs
- **97%** of 2017 Messiah College graduates were employed full-time or attending graduate school six months after graduation
- **U.S. News and World Report rankings:**
 - #5 among “Best Regional Colleges” in the northeast in 2019
 - Recognized as a “Programs to Look For” in the categories of “Internships” and “Study Abroad” in 2019



Larsen Student Union



Calvin and Janet High Center for Worship and Performing Arts

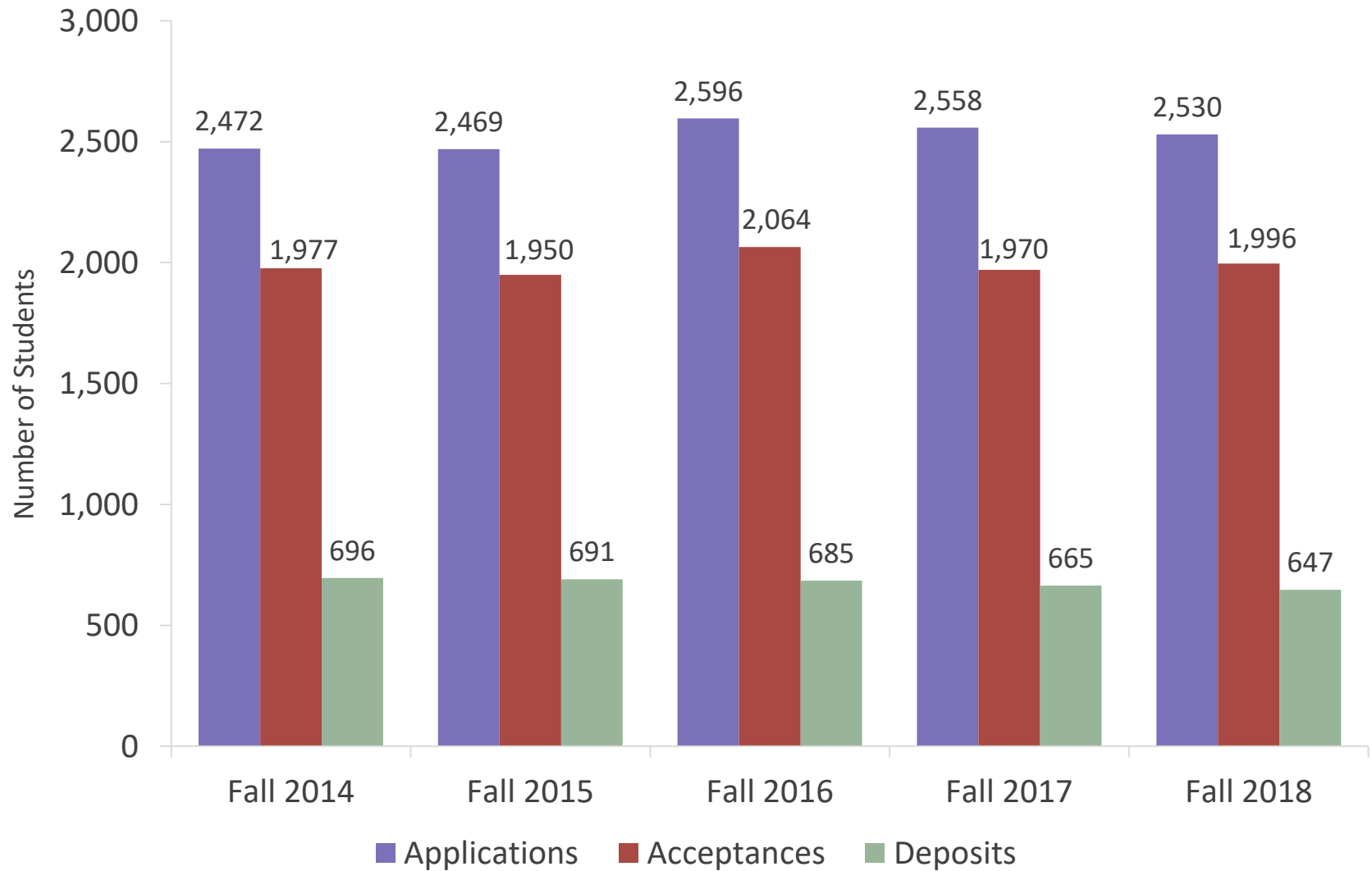
Academic Niches Which Identify Messiah College

Accounting - Messiah accounting graduates' performance on the CPA Exam consistently ranks in the top 10% of the accounting programs in PA

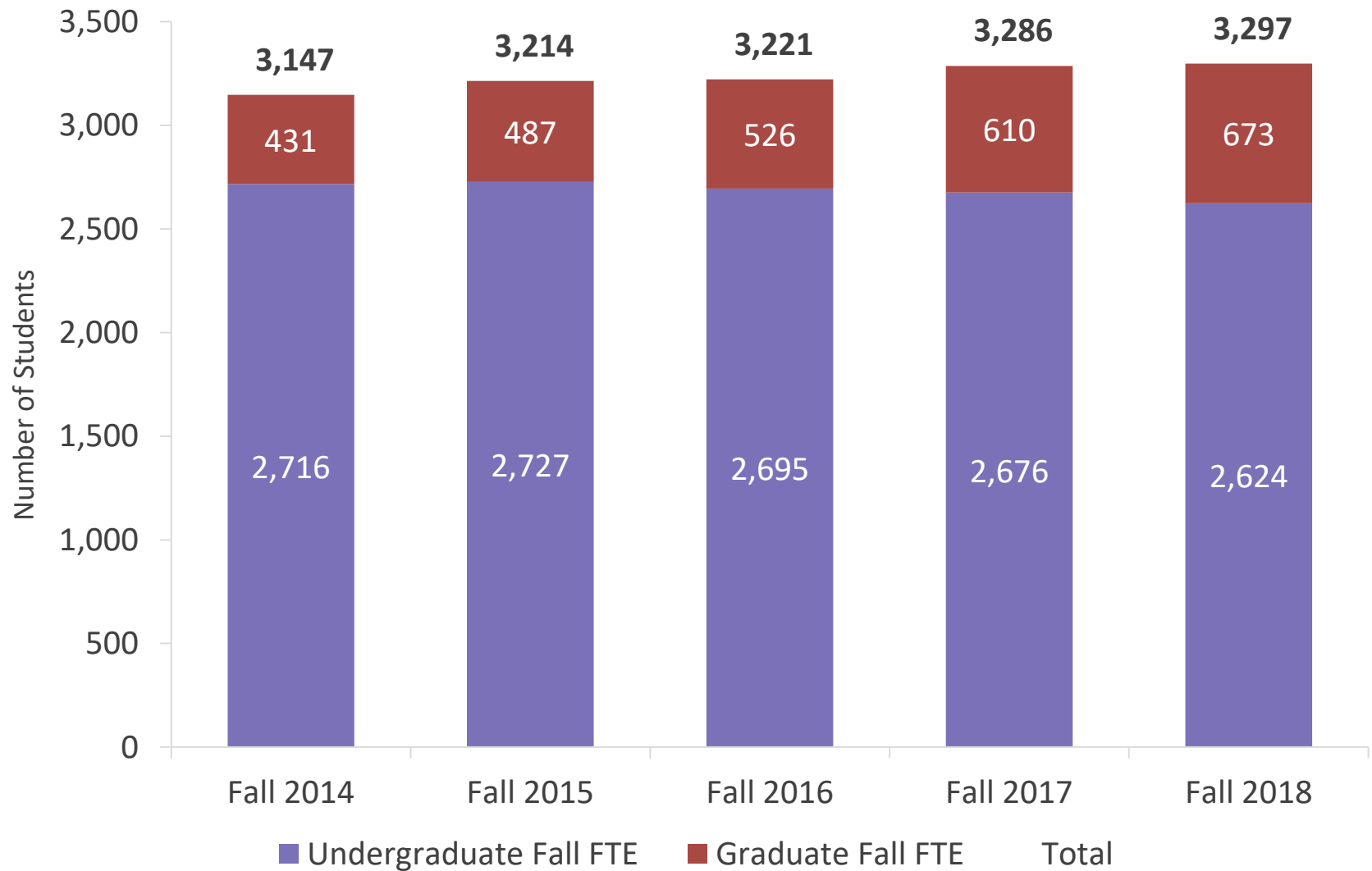
Engineering - ranked 117 in US for undergraduate engineering programs by U.S. News & World Report pursuant to their 2019 rankings

Nursing – 94.4% of the nursing majors graduating in 2017 passed the National Council Licensure Exam for Registered Nurses on the first attempt

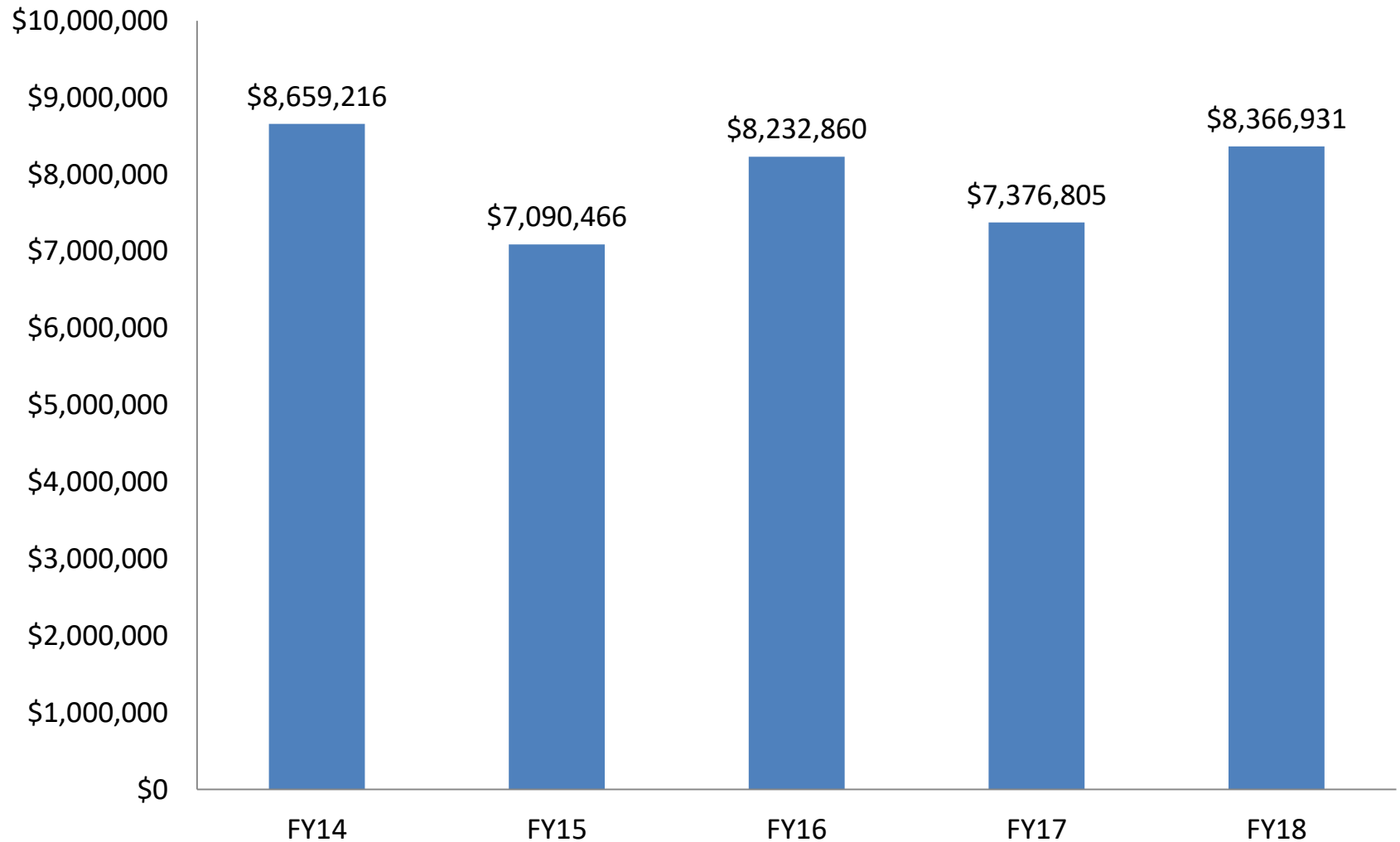
Messiah College First-Year Undergraduate Applications, Acceptances, and Deposits



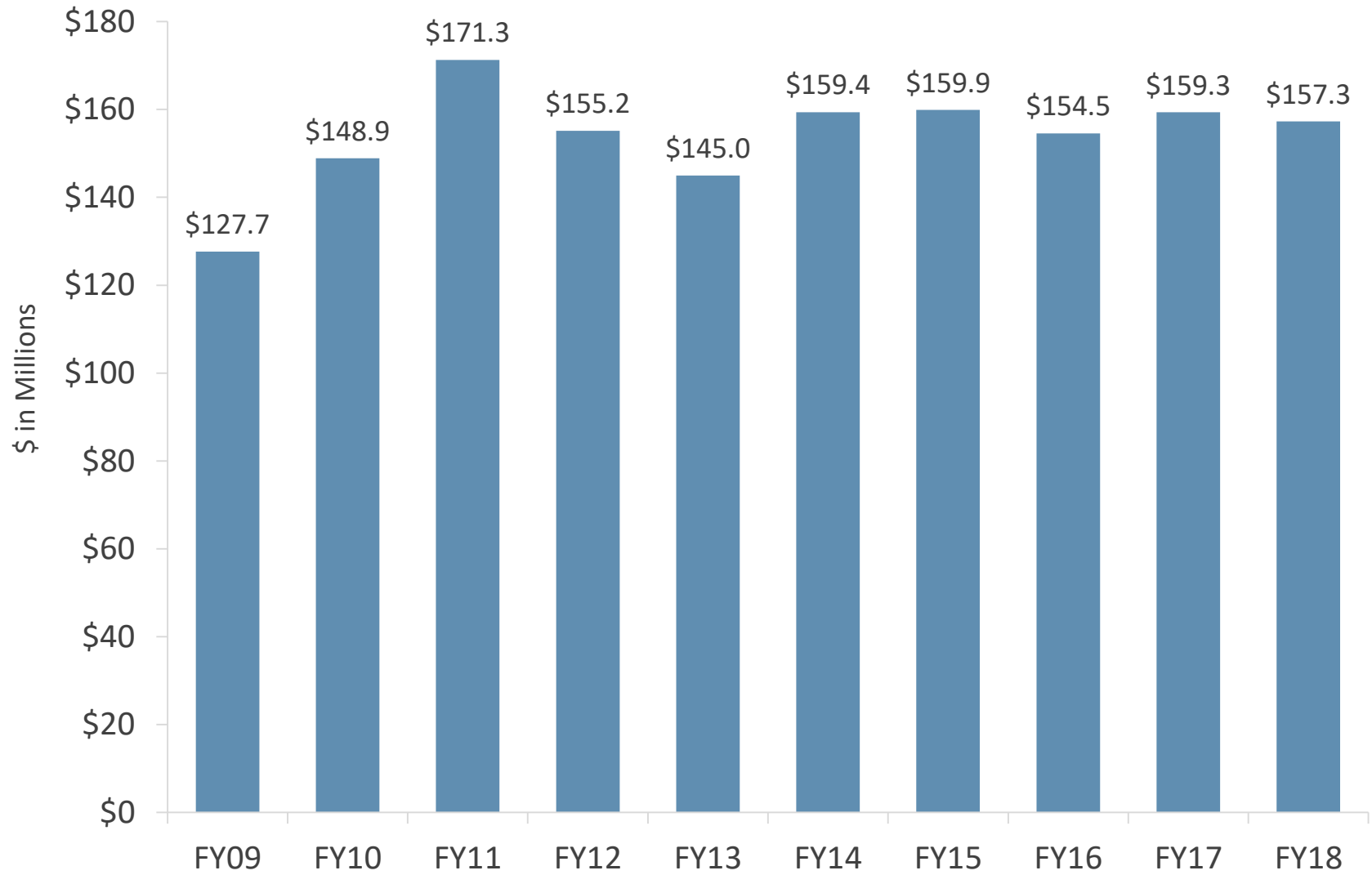
Messiah College Fall Full-Time Equivalent Enrollment



Messiah College Advancement Giving History



Messiah College Cash and Investments History



Notes: Approximately 80% of cash and investments are unrestricted.



Messiah College and Rider Musser Development Objectives

- Make a productive asset out of non-productive land previously owned by the College to create a recurring stream of income to benefit Messiah College.
- The 2018 Bonds together with certain College investments and grants will finance a 314 unit residential community (the “Project”).
- The Project will also serve as a base for future commercial activity adjacent to the residential community, to be separately funded.

Project Timeline: Key Dates

May 2014 - Rider Musser Development created, for-profit corporation; sole member is Messiah College

January 2017 - Messiah College Board of Trustees approved investment of \$7.5 million for Rider Musser Development activities

February 2017 - Approval by Upper Allen Township Board of Commissioners for development plan

December 2017 - Awarded \$700,000 by PA Commonwealth Finance Authority for road improvements

June 2018 - Construction began

September, 2018 - Cumberland County Industrial Development Authority approved 2018 Bond financing

October 17, 2018* - 2018 Bond Closing

* Preliminary, Subject to Change

Rider Musser Development: Residential and Commercial

Residential Phase:

Phase 1A: 137 Units

Phase 1B: 177 Units

Total: 314 Units



Residential Phase Details

- Fixed Rate 35-Year Taxable Municipal Bonds
- Messiah College Guaranty
- Mortgage
- Guaranteed Maximum Price Contract
- Builder's Risk Insurance
- Assignment of All Contracts (as additional bondholder security)



- Property Manager



- Feasibility Study: June 19, 2018 prepared by



REALPROPERTY
RESEARCHGROUP

- General Contractor



Overview of Rider Musser Development Financing

(All information & numbers are based upon current market conditions)

SOURCES OF FUNDS

Par Amount of 2018 Bonds	\$57,810,000
College Funds	12,780,000
Governmental Grants**	2,700,000
Reimbursement to RMD (construction benefitting College)	344,000
Estimated Rental Income During Construction	1,374,000
Estimated Earnings on Construction Fund	1,195,684
TOTAL SOURCES	\$76,203,684

USES OF FUNDS

Vertical Construction of the Project	\$44,949,986
Site Improvements & Government Fees	12,818,263
Soft Costs	4,830,584
Land Costs (to supplement land conveyed by College)	1,478,167
Capitalized Interest	7,441,384
Contingency Fund	2,000,000
Working Capital Fund	1,421,000
Costs of Issuance*	1,264,300
TOTAL USES	\$76,203,684

Fixed Rate Term of Borrowing: 35 Years

Optional Redemption of Bonds: Anytime after 10 Years

* Costs of Issuance include Placement Agent's fee, legal fees, Trustee fees, printing costs, rating fees, title insurance premium and miscellaneous expenses.

** Government Grants include \$700,000 of approved grants and \$2,000,000 of expected grants