

**HABITAT FOR HUMANITY CITRYS COUNTY
MINUTES OF EXECUTIVE BOARD MEETING
September 21, 2010 held at Realtors Association Building**

Meeting called to order by President George Rusaw

Opening Prayer given by E.D. Terry Steele

Pledge of Allegiance led by George Rusaw

Those in attendance were: George Rusaw, Pres., Linda Daly, VP, Bruce Marston, at-large, Norm Peterson, at-large, Terry Steele, E.D., and additionally attended by Gen. Bd. Member David LaCroix.

Absent was: Bill Metzendorf, Sec. And Chruck Price, Treas.

Secretary's Report was read. Motion to accept was made by Norm Peterson, seconded by Bruce Marston. Report was approved as read.

Treasurer's Report was discussed and a motion to accept was made by Bruce Marston, seconded by Linda Daly. Report was approved as read.

The most compelling matter to discuss was the current contract on the new Re-store / Office facility, so it was addressed first so that Mr. LaCroix could offer his expertise if necessary.

Approximately forty days are left (October 30th) on the signed contract with which to secure funding and close. George reported that last Monday, Terry and he took a volume of information to the following banks in hope to secure a viable and attractive mortgage: Brannen Bank, Center State Bank, Nature Coast Bank, SunTrust, Orange Bank, Superior Bank, and board member Rosann Strawn picked up the report for Park Avenue Bank.

From that list, the following responses have been received thus far:

1. Brannen Bank – wants to keep and/or extend our current Line of Credit up to \$600,000 rather than be involved in real estate.
2. Superior Bank – Nancy Hautop reported the bank declined due to a current freeze on any additional real estate transactions.
3. Nature Coast Bank – proposed to lend us 65 – 70% of the appraised value (which is approx. \$420,000 of the \$620,000 contract offer) plus and additional \$300,000 working capital, which will handle the shortfall and renovation costs. Their proposal included security of part of our mortgage receivables as collateral. **Terms would be a 20 or 25 year adjustable rate mortgage, fixed for the first five (5) years at 6.5%. Then it would transfer to an adjustable rate mortgage based on prime rate +.** We also would have the options of *interest only* for the first year, and *no pre-payment penalty* if we choose to refinance or pay off the mortgage early.

The remaining banks are expected to get back to us by the end of the week.

The two offers received are flexible. We can divide our receivables to accommodate both banks with mortgage and our line of credit.

Based on a 25 year mortgage amortization schedule, the total monthly mortgage payment would be \$4,862.00, or approx. \$58,000 per year. The actual revenue produced from our Inverness Re-Store and Pope's reported income is \$144,000 per year.

In summation, we would have no cash out-of-pocket and \$100,000 leeway for the minor renovations needed and any needed expenditures (eg. 3rd truck, etc) we may need forthcoming (and no property taxes since the office will be relocated there and will serve as our primary location).

Discussion regarding the proposed LLC (private investors) brought forth concerns about coming up with immediate cash for early calls from investors. After considerable analysis and knowledge that attractive offers have been secured, the Executive Board recommended going the financial institution route. A motion was made by Norm, seconded by Bruce to that end. Executive Board unanimously approved. Written commitments from prospective lending institutions will be requested and full proposals brought forth to the General Board of Directors by the next meeting September 30th. Board members will be made aware of the imperative need to attend this meeting for their vote. Banks will have the option to present their proposals in person at that meeting.

Terry thanked David for all his research and guidance in the possibility of legally forming a Limited Liability Corporation for the purpose of privately financing this project. We appreciate all the time he has dedicated to Habitat.

Committee Reports

Building – Two houses are currently underway in Inverness Villages and another two in Inverness Highlands North. Permitting apps have been submitted to the County on three other locations.

Site Selection - Terry submitted a listing of currently owned lots and put asterisks by those considered investments that could go up for sale to produce additional cash flow if needed. He will advertise them in a Chronicle article, but their minimum purchase price would be based on their assessed value. This past year produced 23 properties to our inventory!

Volunteer Resources – Additional volunteers are desperately needed. Our older volunteers are having health issues, and there has not been an influx of new "retirees" to our area. An article will be forthcoming trying to target interest. Our corporate challenge may spark interest, and Janine is working hard recruiting.

Family Services – Five families were approved, but only four accepted and completed letter of intents and will begin classes.

Church Relations – James Andrews and Vance Milton met with the committee and are Sending letters to all area churches. Janine is acting secretary for that committee.

Re-Store – had another \$20,000 month in August and already hit the \$14,000 mark this month to date.

Delinquencies remain manageable. Two families continue to struggle, two more recently lost their jobs, but Terry is actively looking for possibilities on their behalf.

Habitat Challenge – HFHCC staff wishes to challenge its BOD to make financial and volunteering pledges yearly. The staff has pledged 100% participation both with \$\$\$ from their paychecks and hours committed.

Meeting adjourned at 10:25 am.

*Respectfully submitted,
Linda Daly, JP, acting sec.*