

REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER

Board of Directors Meeting – September 15, 2015

The members of the Board of the Redevelopment Authority of the City of Lancaster met on September 15, 2015, at 5:15 p.m. in the Commission Room, City Hall Annex Building, 120 North Duke Street, Lancaster, Pennsylvania.

PRESENT: Randall Horst, Jessica May, Miriam Soto, Douglas Byler, and Chelsea DiBerardino.

STAFF: Frank Mincarelli, Randy Patterson, Karen Bousquet, and Carolyn Faggart.

GUESTS: Wes Bullock, Mark Strunk, John Ferguson, Efren Rivera, Hannah Kelleher, John Whitham, Jeff Nolt, Jan Watson, Dana Paparo, Richard Boas, Ariel Alvarez, Chris Leaman, Doug, Devon and Ashley Krasley, Luis Ortega, and Joe Younger.

Chairman Horst called the meeting to order and asked if anybody from the public is not on the agenda. Hearing no answer, he then asked for approval of the minutes of August 18, 2015. Ms. DiBerardino made a motion to approve the minutes of the August 18 meeting. Ms. May seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst asked if everyone got the Treasurer's Report that was emailed to the Board today. He asked for any questions or corrections on the Treasurer's Report. There were none. Ms. May then made a motion to accept the Treasurer's Report as presented. Ms. DiBerardino seconded the motion. Mr. Horst called for a roll-call vote, and all were in favor.

Mr. Horst went on to the Staff Report. Ms. Faggart said we have Act 1 for two properties, one extension request, one agreement for rehab, then eleven proposals for six properties. Mr. Byler made a motion to take Act 1 on 713 North Queen Street and 413 Chester Street. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst went on to the Request for Extension for 304 West Vine Street and Wes Bullock came forward. Mr. Bullock said this is his bi-annual, he's not done yet, request but he brought his computer to show photos of recent progress since the January meeting. Ms. Soto asked how long he thought he would need. Mr. Bullock said he's not good in estimating time. In January he was hoping he could be finished by December but he doesn't see that happening now. On the 23rd he will be gone for two months, home for two weeks, then gone again. He thought that one year from now the project will be finished. Ms. May asked if he has some sort of CO. Mr. Bullock said he has a temporary CO through the City and Bob Snyder was just out there and said he's not that far off. Ms. May said but you are doing it yourself. Mr. Patterson said they are living in the property. Ms. May said there's someone in the property and he's doing a fantastic job. Mr. Host said the outside looks good from the street and he's working on the

porch. Ms. DiBerardino then made a motion to grant an extension for 304 West Vine Street until September 30, 2016. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Bullock thanked the Board and welcomed them to stop by to see the progress whenever he is in town.

Mr. Horst moved on to the Agreement for Rehab 348 South Prince Street. Mark Strunk came forward and asked how this works since he was unfamiliar with the process. Mr. Horst said we took the property. Mr. Strunk said the Authority took the property and he worked with Mr. Mincarelli to get an Agreement for Relinquishment, which he received today. He and his wife convened to sign it at a notary because she couldn't be here tonight. He thought everything was in order. Mr. Horst said he owned it and the Authority condemned it. Mr. Mincarelli concurred and said in the meantime Mr. Strunk was doing the rehab work to remediate the blight and since received a CO from the City. With the work completed and the taking having been done, he explained to Mr. Strunk's attorney that we could unwind the condemnation and relinquish the taking if he would reimburse the Authority for all costs incurred and will incur in the relinquishment. He will also need to pay off the 2015 School Tax and a charge to the City for maintaining the property. Mr. Mincarelli emailed the Board a list of expenses to be reimbursed and said the Board could sign the documents. Mr. Horst asked if a motion was needed. Mr. Mincarelli said he had a resolution, 15-9-49, that would relinquish the condemnation of 348 South Prince Street and restore it to the Strunk's name. Ms. May then made a motion to approve Resolution 15-9-49 to rescind the taking of 348 South Prince Street. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst said there's another rehab agreement for 437 Chambers Street. Mr. Mincarelli was told the party was very interested and would be here today but there was no one in the audience for this property. They asked to unwind this one also. Mr. Horst asked if they have a CO. Mr. Mincarelli said the owners do not have a CO and they wanted to rehab the property themselves but the problem is that they owe about \$8,500 in expenses and taxes before the rewinding, so this may not happen.

Ms. Horst moved on to the Offers to Purchase and said the first one is for 720 St. Joseph Street with just one offer on this property. John Ferguson came forward. Mr. Mincarelli said there's an announcement he needs to make on any offers that are presented. Any of the properties sold today are subject to a 4% real estate commission and the Authority is passing that responsibility on to any purchasers. So if you submitted a purchase offer and did not take that into account or wish to withdraw your offer because of that, now is the time to do it, but it is 4% of the amount of the proposed offer to purchase. So if you are offering \$20,000, it's an \$800 commission. It will be on the buyer's side of the settlement sheet. Mr. Mincarelli said if Mr. Ferguson wants to withdraw his offer, it's up to him. Several members said or he could amend it. Mr. Mincarelli said it's a counter-proposal and will be an expense added to his side because the Authority will add the extra page to the agreement. Mr. Ferguson said he could make a counter-offer of \$30,000 and asked if that's acceptable. Mr. Horst asked if he has rehabbed a property in the city before. Mr. Ferguson said no; he never rehabbed a property. Mr. Byler asked his motivation for doing this one. Mr. Ferguson said he and a friend thought they would try this. He has a lot of experience with remodeling. Mr. Byler asked if he is an electrician by

trade. Mr. Ferguson said he was a federally licensed electrician and he worked in the trade for thirty years but he worked with a lot of high powered equipment. Ms. May asked if he understood that if the property is sold, it needs to be to an owner occupant. Mr. Ferguson wasn't aware of that, saying he was going to fix it up and sell it. Ms. May clarified that it can't be sold to someone who will rent the property. Mr. Ferguson thought he was buying the property tonight. Mr. Horst said if the Board accepts his proposal, he would make arrangements with Mr. Mincarelli for settlement. Mr. Mincarelli said this is just an Agreement of Sale. He will send him the documents in the mail. Mr. Ferguson asked about back taxes. Mr. Mincarelli said once the property is condemned, all the liens are removed from the property. He has the option of taking out title insurance. Mr. Byler then made a motion to accept Mr. Ferguson's offer to purchase 720 St. Joseph Street for \$30,000. Ms. May seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst moved on to 738 East Fulton Street and Efren Rivera came forward. Ms. Soto said Mr. Rivera doesn't speak English so she interpreted for him. The just compensation for this property is \$43,500 and Mr. Rivera offered \$45,240. She asked him if he wanted to change his offer and he said he wants leave it the same. Ms. May asked if Mr. Rivera planned to live in this property. Ms. Soto said yes. Ms. May mentioned the deed restriction. Ms. Soto said he understood. Ms. May noted his electrical contractor and asked if he will be doing other work. Ms. Soto said his licensed contractor does home repair. Ms. May then made a motion to accept Efren Rivera's offer for 738 East Fulton Street except that she thought the Board should give him at least one more month. Ms. Soto relayed this to him and Mr. Rivera agreed. His offering price remains the same at \$45,240 but his rehab time is extended to December 30, 2015. Ms. Soto wanted clarification. Ms. May said his offer to purchase is \$45,240, plus the commission. (Based on discussion later in the meeting it was determined that Mr. Rivera's offer was \$43,500. The additional amount to \$45,240 was the 4% commission, so his total offer was \$45,240 which included commission.) Ms. Soto asked if he could have a paper with the total number. He also asked when he needs to pay the money for settlement. The answer was on settlement date. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Rivera asked questions about closing. Mr. Mincarelli gave Mr. Rivera his card and said he would send the settlement documents out in a few days. Mr. Rivera asked Ms. Soto about an interpreter. Mr. Mincarelli said his firm has a translator on staff. Mr. Rivera thanked the Board.

Mr. Horst moved on to 19 Howard Avenue and Hannah Kelleher came forward. Mr. Mincarelli asked if Ms. Kelleher understood the commission. She said yes. Ms. Kelleher said she knows Howard Avenue well; she has two properties there now and she will sell this property to an owner occupant. She likes the house and would like it for herself. Mr. Byler asked for the appraisal so he could view the photos. Ms. Soto said the Board is taking quite a hit with this offer. Mr. Horst noted that this property was taken in June of 2014 so we've had it for over a year. Ms. Soto said we are still taking a loss. Mr. Byler noted that she owns two other properties on Howard Avenue. Ms. Kelleher said yes – 113 is a long term rental that she wants to sell to an owner occupant but she is under water with it right now. She totally rehabbed 105 – brought the façade up to FHA code and the owner occupant has been there for four years and she keeps the property beautiful. Mr. Byler asked if she bought the other properties from the Authority. Ms. Kelleher said no, they just happened to be on Howard Avenue. Ms. Soto asked Ms. Kelleher if

she would be willing to come up on the just comp at all. She said no. She knows what Howard Avenue brings; she knows what her houses sold for eight years ago and they are still not appreciating. She does a lot of good rehabs in Lancaster and has been doing them for years in the city. She is willing to take on Howard and she is willing to live there. If it's not for her, she is willing to put someone in there that will take care of it like the owner of 105 Howard does. Mr. Byler asked her about rehabbing the properties and Ms. Kelleher said she does most of the work herself. Mr. Byler noted that she lives in New York. Ms. Kelleher said her parents and family live here, and she invests here. Ms. Soto asked if she will live here. Ms. Kelleher said she would live here part time. She does all her property renovations and rehabs here, then she lives part time in New York. She is heavily invested in the city and has seven properties here now. She has flipped over ten properties to owner occupants and never sold to another investor. Mr. Byler asked if she is working on the ones she owns now or are they being rented. Ms. Kelleher said the ones she owns now are all rentals and are under the management company Slatehouse Group who take good care of them. Ms. Soto asked if the Board had any questions. Mr. Byler said since she is an experienced rehabber, her rehab agreement is a little light in specifics. Ms. Kelleher said she has a contractor who is working on a big project for her now and if there is anything she can't do, he will be doing. Ms. May asked if that is Marc Albin. Ms. Kelleher said he works for Slatehouse Group, so he is fully licensed, bonded and insured. Mr. Byler asked how much of a loss can we live with. Ms. Soto said we're talking about \$8,000. Mr. Byler asked if we have had any other offers on this property. Ms. Faggart said no. Ms. Bousquet asked about a few violations on her properties and Ms. Kelleher answered the questions. Mr. Byler then made a motion to accept Hannah Kelleher's offer to purchase 19 Howard Avenue for \$17,900 with a completion date of 90 days from closing. The date was questioned and Ms. DiBerardino said she could have more time. Ms. Kelleher said six months is better since she does a lot of the work herself. This would be March 15, 2016. Ms. May seconded the motion. Mr. Horst reiterated the motion with the date change, then called for the vote, and all were in favor. He then said he was surprised that the Board agreed to this because that's a lot of money. Ms. Kelleher understood and agreed but said she knows Howard very well. Mr. Patterson then said what everyone needs to understand is that the just comp number you see at the top of the form is the price that the Authority has to pay by law, so when we talk about taking a cut, we are still paying the property owner that just comp figure. If we take a cut, it comes out of the Redevelopment Authority's pot. The just comp is established when we take the property. As an example, this property has been vacant and condemned for several years. The Authority took this property in July, 2014 and if we hold it for another two years, we still have to pay the just comp on the date it was established no matter what happens to the property or how much it deteriorates. Mr. Horst said we wouldn't be able to do this without a Block Grant from the Federal Government. Ms. Kelleher thanked the Board.

Mr. Horst moved on to 520 East Fulton Street and said there are two offers to purchase. We ask one party to stay in the room while the other one goes outside so we are talking to each party separately. There are offers from Jeff Nolt and John Whitham so if Mr. Whitham can step outside, we can talk to Mr. Nolt. While everyone was in the room, Ms. DiBerardino announced that when there are competing offers, the Board will ask everyone if their offer to purchase is their best and final offer or if they want to adjust it. Mr. Horst asked Mr. Nolt what he brought with him. Mr. Nolt said he had a list of properties he has done in the city and pictures of those

properties. Mr. Byler asked if he's done any through the Redevelopment Authority. Mr. Nolt said no. Ms. May asked what he did with his other properties – rent them or sell them. Mr. Nolt said he sells them. He does pretty much the same thing in every house. The Board was impressed with his work. Ms. Soto asked Mr. Nolt if he would be willing to increase his offer and how much. Mr. Nolt said he would rather not. Ms. May said recognizing there are several offers for this property. And Ms. Soto said the other buyer will be asked the same thing. Mr. Nolt said he could come up a little bit -- \$33,500. Ms. May noted his anticipated completion date of January-February of 2016 and asked if the Board says February 28, 2016 would that work for him. Mr. Nolt said yes unless they want to give him a little more time. Ms. DiBerardino suggested March 31, and Ms. May said it's easier to adjust now. Mr. Nolt said six months, and Ms. May said March 31, 2016. Mr. Byler said in reviewing his proposal he asked if Mr. Nolt was aware that the water supply feeds needs to be taken care of. There is nothing in his proposal to replace the water supply feeds. Mr. Nolt said that's something he didn't know about. Mr. Byler said it was in Mr. Parmer's review and asked Ms. Faggart if that was in the appraisal. Ms. Faggart said it was probably mentioned in the appraisal (which the Board was reviewing). Mr. Horst asked if he went through the property. Mr. Nolt said yes. Mr. Byler read from the appraisal that most all of the plumbing in the basement has been removed. Mr. Nolt said he was aware of that. There were no further questions from the Board. Mr. Patterson mentioned that any plumber he plans to use must be licensed in the city. Mr. Nolt agreed. He stepped outside so Mr. Whitham could present his proposal.

John Whitham then came forward with Luis Ortega from Younger Realty Group. Mr. Ortega said before he spoke about this proposal he had some concerns. He was speaking for himself and other real estate professionals that are showing these properties and investors. There is a lot of time and effort that goes into these offers and crunching these numbers. When there is last minute surprises like what was brought up today about the 4% commission, he didn't know if everyone understands, but these prices were already increased by 4%. In the MLS, they put a 4% increase on the list price. There wasn't proper communication so people aren't prepared for this stuff. Mr. Patterson asked if he's saying the offer prices were already increased 4%. Mr. Ortega said the just comp was already increased in the MLS. Mr. Patterson wanted to be clear. The just comp hasn't been increased. What you are saying, in this instance in the offer you are making, you are saying you added 4%, so he is offering less than the just comp. Mr. Ortega said no. The just comp on the list of RACL properties, when they list the properties through the Younger Realty Group, there was a conversation at some point where the commission needed to be included in the price, so they added 4% to that list price. Mr. Younger said as per the email conversation between Messrs. Patterson, Mincarelli and Younger two weeks ago, all of their marketing and advertising for these properties were increased by 4%. The just comp, plus the \$1,500 in fees, plus the 4% is what they are marketing the properties for sale for. The confusion for people in this room was when they made the announcement that the 4% is already calculated into all these offers. Mr. Patterson said that's what he's trying to make clear. So the just comp for this property is \$26,500. His offer does not add 4% to that amount, so his offer is actually less than the just comp. Mr. Younger said that's his decision; that's the offer he submitted to the Board. Mr. Patterson said the Board needs to know whether it's less than the just comp because we have to pay the just comp. The 4% goes to the commission; the Authority still has to pay the just comp. Mr. Younger said he understands that. Mr. Patterson said we all need to know what

the offer against the just comp is. Understanding if you are putting in your marketing materials, that 4% fee is fine, but from an asking price and prospective offer to purchase we need to know if the just comp is covered or not. Mr. Ortega said the only thing that's not included in here is if there are competing offers and there's an increase in the final offer. Whatever that final sale price is, it won't include the 4% that Younger already put into the list price, so the buyer would be responsible for paying the difference on the increased price. Mr. Younger said his intention was not to have this discussion now. Mr. Ortega said it's a little confusing because he just witnessed the guy who didn't know what he was doing when he paid \$4,500 more. Mr. Younger said the first offer from John Ferguson on St. Joseph Street. Mr. Patterson said you are offering the just comp figure. He already added the 4%. Mr. Ortega said that's correct. Mr. Patterson said so the confusion is, for transparency, we need to know that the people know that there is a just comp figure then there's 4% added on to that. For the Authority's transparency and knowledge, it needs to know that it's just comp plus 4%, so we need to change the form here. The form says an Offer to Purchase, 4% commission equals X. So we don't have to sit here and calculate that either, saying that we have to subtract X dollars off the purchase, so he knows that the just comp has been covered. Mr. Ortega said he understood what Mr. Patterson was saying. Ms. Soto said so we wouldn't know that it's not being covered by this offer. Mr. Patterson said it is; the just comp is \$26,500, so the 4% is on that offer. Mr. Ortega said if the price increases, then there would be a higher commission dollar amount. Ms. May said that would be 4% of the commission, not 4% of the just comp at settlement by the buyer. Mr. Ortega said yes, 4% of the sale price. Mr. Byler suggested an auction. Mr. Whitham said correct him if he's wrong, but you have someone who has never been here before and is confused because he was told something, misunderstood it, offered a few thousand dollars more than what he wanted to. Mr. Horst said he offered less. His original offer was \$33,000 and he reduced it to \$30,000. Ms. Soto said we aren't going to discuss any other deals; we are just discussing this deal. Mr. Whitham spoke up again and Mr. Horst asked him to be quiet. Mr. Whitham said he's trying to understand this. Mr. Horst said he's trying to understand it too as the Chairman of the Redevelopment Authority. Mr. Whitham interrupted again. Mr. Horst said he's trying to have a conversation at the Board level. What we get in our packet that comes out as the Vacant Property Update, the just comps are listed on there, and because of the number of properties on there, he color coded them so he could keep track. So, the property in question, 520 East Fulton Street, the just comp is \$26,500. There is no commission on top of that \$26,500; that's the just comp that we are obligated to pay. Just so the Board understands what the numbers are, and most of us have phones, so we have calculators and we can figure out 4% of that to be added on. Mr. Ortega said it's already listed. Mr. Patterson said the confusion is that it's not listed on the form. The Board has always seen an Offer to Purchase purchase price, not inclusive of fees, so what you presented are Offers to Purchase that includes 4% on the offer. It's helpful for the Board to know what the Offer to Purchase is. Mr. Younger said, just to be clear and he was going to review this in his update, but moving forward, he would highly suggest and recommend that we have open dialogue regarding having an all-inclusive price, the sales price, basing commission off of that so that it's less confusing for potential purchasers. Ms. Soto said we can discuss this later. Mr. Byler said to be clear, this offer is \$27,560, inclusive of 4% commission. Mr. Ortega said that comes out to the just comp plus commission, which is the list price that they market. He only addressed it because it does affect the competing offer. Ms. Soto said that's fair. She understood why he brought it up as a concern. She wanted to make sure that the other gentleman who made his

offer, we want to make sure that we clarify that for him. Ms. Soto apologized to Mr. Whitham and said we usually don't have these discussions like this. She then wanted to move forward and asked if he was here before. Mr. Whitham said yes. He had a question so it would be clear to him. St. Joseph is \$25,500 just comp. If you add 4% to that, it takes you to \$26,600. He wanted to understand how that unfolded so he understands how the Board handles him as a buyer also. He was the only buyer. Mr. Horst said he offered \$33,000 and reduced it to \$30,000 and asked if that made sense to him. Mr. Whitham said yes; the way he understood it is the way it happened. He is interested in making an offer on 520 East Fulton. He can provide information on himself. He has done rehabs throughout the city. His office and daughter's staging business is located on Queen and James Streets. Ms. Soto said she feels very comfortable with Mr. Whitham looking at properties with us. The only question she had in lieu of all that's been discussed is how much more he would be willing to offer. We have two competing offers and we have two relatively good clients that are equally sound that the only way we can determine which way we go is by the offer. Mr. Whitham said he understood. His number is \$31,060. Ms. DiBerardino asked if that includes the commission. Mr. Whitham said yes. He then had a second part to his offer, and it would be in the best interest of the City; he's also going to make an offer on 539 East Chestnut. Mr. Horst said we have other people interested in that one. Mr. Whitham said he would make an offer when that time comes, but if he did get both, he would be willing to pay a couple thousand dollars more. He didn't know if the Board wanted to take that into consideration. Ms. Soto said we will have to look at that one when we get to it. Mr. Whitham said if he is getting one or the other, then \$2,000. He could save money with both jobs going on at the same time. Ms. May said the problem is that we have many competing offers on that one. Mr. Whitham understood. Ms. Soto said if he was the only one on that offer the Board would look at it right now and look at it as a package deal but because there are other offers, it won't be in your best interest to have that discussion here. Mr. Whitham said it was just a suggestion. Mr. Patterson said just so the Board knows, Mr. Nolt is also making an offer on that property. Mr. Horst said then there are two other people making offers on that property also. He asked if the Board had an idea who they would make the decision on. Ms. May said they would like to speak to Mr. Patterson first. Therefore, Messrs. Whitham and Ortega stepped outside.

Mr. Patterson said that Mr. Nolt understood that his offer of \$30,500 included the 4%. So his offer of \$33,500 is all inclusive. Ms. Soto said so he understood. For everyone's understanding, Ms. May said that comes down to \$32,211, and Mr. Whitham's offer comes down to \$29,865. Ms. Soto said so he understood it. Mr. Patterson said he understood that his initial offer to his realtor included that 4%. He wasn't sure when he said he would go to \$33,500, that's why Mr. Patterson had to clarify with him that it's \$30,500 included the commission. Ms. Faggart said so he will keep his original amount. Ms. May said no, Mr. Nolt is offering \$33,500 inclusive of commission, to which without commission would be \$32,211. Mr. Whitham is offering \$31,060 inclusive of commission, which equals \$29,865. Mr. Horst said it would be easier for the Board if they offered without the commission, like the just comp amount. Mr. Patterson said we can figure it out when we talk to Mr. Younger. Mr. Horst asked if the Board had any more questions for Mr. Patterson. Ms. May said no, her question was answered. Mr. Byler asked when they make the motion, should they make the offer to purchase on the just comp amount or on the inclusive offer. Ms. May thought it should be both ways. Mr. Horst said it should be both ways because that's the only way it will be the clearest for everyone. Mr.

Patterson thought the record needs to show that you are covering the just comp. After further discussion Mr. Horst brought both parties back to the room and he asked for a motion from the Board. Ms. May made a motion to sell 520 East Fulton Street to Jeff Nolt for an offer to purchase of \$33,500 which is inclusive of the 4% commission, so the offer to purchase before commission would be \$32,211, with a completion date of March 31, 2016. Ms. DiBerardino seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst said we have two parties interested in 211 East Madison Street so Mr. Alvarez stepped outside while Jan Watson and Dana Paparo came forward. Richard Boas with Berkshire Hathaway introduced himself and said he was here on behalf of Mr. Watson and Ms. Paparo. They own a home in the city and are business owners. Mr. Byler asked if they plan to move into this property or sell it. Mr. Watson said at completion of the work they will be moving in, either renting or selling their current residence, then looking to move on to a larger project after that. Ms. May wanted them to understand that if they should sell that property, there is a permanent deed restriction and it has to be sold to an owner occupant. They understood. Ms. DiBerardino asked if they have done a rehab before. Ms. Paparo said they've done their own house and also the business that she owns. Mr. Watson said that was a remodel. He works with Tom Pontz, a family member who is an electrician. He will also be working with Mike Groff, a general contractor who subs work out. Mr. Boas said they put a lot of time and effort into their proposal and their offer was a little bit of a curve ball with the commission. Ms. May said that was the next question. You have offered \$21,000. Does that include the commission or before the commission. Mr. Watson said in light of our discussion, our intent was to offer more than the just comp and fees so they would be willing to add an additional 4% to that offer. Ms. Soto said that would be \$840 with their total offer of \$21,840. Mr. Watson agreed. Ms. May said since there is competing offers, she asked if they are willing to pay more for the property or is this their final offer. Mr. Watson said they have some wiggle room because they went with the highest estimates. He spoke with Bob Snyder for a while and they thought their estimated costs are accurate. They will also be doing a much nicer renovation than the bare minimum. Ms. Paparo thought that would be their final offer. Ms. May asked if they are happy with the completion date of April, 2016. They thought six months was sufficient. With no further questions they stepped outside so Mr. Alvarez could talk to the Board.

Ariel Alvarez came forward and Ms. Soto asked if he has done rehab before. Mr. Alvarez said no, this is his first one. She asked if he will be selling the property. He said he has a realtor. Ms. DiBerardino wanted him to be aware that one of the contractors has to be a licensed master plumber. Mr. Alvarez concurred and said he will be helping the contractor. Ms. May noted he will resell the property and said there is a permanent deed restriction and the property can only be owned by someone who will live there. Mr. Alvarez said he didn't know but he is ok with that. Ms. Soto asked if he would be willing to offer more. Mr. Alvarez said it's his first time here so he didn't know how this works. The property is in really bad shape but he is willing to go to \$18,000. Ms. Soto asked if that includes the 4% commission. Mr. Alvarez said yes, then he said plus the 4%. Mr. Byler noted that one of his contractors is Ray's Stone Facing and asked if he is aware of the restrictions that Lancaster City has on stone facing. Mr. Horst said the contractor's card is attached and says flagstone, tile, drywall, basement, kitchen, bathroom, so it looks like he does a lot of stuff. Mr. Byler said you can't do stone facing on the

front of the house. Mr. Alvarez understood. Ms. Soto said the total amount would be \$18,720. She then asked if there were other questions. There were none so Mr. Horst went to get the other couple. He returned and asked for a motion. Ms. Soto made a motion to sell 211 East Madison Street to Jan Watson and Dana Paparo for their inclusive offer of \$21,840, which includes the 4% commission. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst moved on to 539 East Chestnut Street and noted there are four offers for this property from Messrs. Zook and Leaman, John Whitham, Jeff Nolt, and Doug Krasley. Mr. Nolt said in light of his purchase of 520 East Fulton Street, he withdrew his offer for this property. Mr. Horst said now there are three and he asked Messrs. Zook and Leaman to come forward. Chris Leaman came forward and said Randell Zook had a family activity to attend so he could not be here tonight. Mr. Byler noted that they were here last month. Mr. Leaman concurred and said they were here for New Dauphin Street. Ms. May said she forgot their experience. Mr. Leaman said this would be their first rehab project in the city. Both of them have construction experience. Mr. Zook currently works for the City but prior to that, he worked in the construction field. Mr. Leaman owns JK Mechanical working in the cooling, electrical, geothermal and solar contracting field which is located just south of the city. They will install a new gas furnace with duct work for central air. This is currently a six bedroom, one bath property. They are looking to convert one of the bedrooms to a bath and make it five bedrooms and two baths. There will be a master suite off the master bedroom. They will redo the kitchen entirely. If it's approved, they would like to add two off-street parking spaces. They feel this is a potential high end property and they would treat it as such. Ms. May reminded Mr. Leaman about the deed restriction and sale to an owner occupant. He concurred. Ms. Soto asked if their offer of \$41,500 was not inclusive of the 4%. Mr. Leaman concurred. Ms. Soto asked what was the highest they could offer. Mr. Lehman asked if they wanted it inclusive of the 4% or before that. Ms. May said he should tell them which way he wants to do it. Ms. DiBerardino noted on Mr. Parmer's review that there is no mention of asbestos removal but the appraisal notes there is asbestos in the basement. Mr. Leaman said there is some asbestos insulation on the old boiler piping and they have a contingency line item in their proposal. She wanted to be sure he was aware of that. Ms. May wanted to be sure when he gives them a number he is also aware of it. He said yes. Mr. Horst noted their contingency is \$9,740. Mr. Leaman then said their maximum offer price before the 4% commission would be \$60,400. Ms. May asked if March 31, 2016 was sufficient time for the rehab. Mr. Leaman said yes. Ms. Soto said the commission would be \$2,416, for a total of \$62,816. Mr. Leaman had photos and said last time they pulled together some conceptual three dimensional pictures for their presentation. It's not for this property but is reflective of the type of work they do. The Board was impressed with the photos. With no further questions, Mr. Leaman stepped outside.

Mr. Horst brought John Whitham in to speak about his proposal. Ms. May said the Board knows of his experience, he knows it has to be sold to an owner occupant, and he concurred. She noted the short time he allotted for rehab – November 30. Mr. Whitham said he has the people to get in right away and that's why he wanted to try to buy both. He adjusted this offer. The other one he offered \$2,000 more and this one he is at \$53,100 total. Ms. May said including the 4%. He concurred. Ms. DiBerardino asked if he knew about the asbestos in the basement.

Mr. Whitham said he does. With all due respect, he said there are people coming in here that don't know how to deal with that. Ms. May said it needs to be removed by a certified asbestos contractor. Ms. DiBerardino said his offer will be \$50,976. She said November 30 is his completion date. Mr. Whitham concurred. The Board had no further questions.

Mr. Horst brought Doug Krasley in for the last proposal and he introduced Devon Krasley to the Board. Ms. DiBerardino thought he wasn't here before. Mr. Krasley said this is their first time. Ms. DiBerardino asked if they have done rehab before. Mr. Krasley said yes, they all have. Ms. May asked if any of them were in the city. Mr. Krasley said not for a while. She asked if they do this themselves or as contractors for someone else. Mr. Krasley said for themselves. He passed around photos of their most recent project which just settled. Ms. May mentioned the sale to an owner occupant with a permanent deed restriction. Mr. Krasley concurred. Ms. Soto asked if they were aware of the asbestos. Mr. Krasley said yes. Ms. DiBerardino asked if November 15 is a reasonable date for them. Ms. May said including permits and other things. Mr. Krasley said depending on settlement, probably six weeks. Ms. DiBerardino asked if they wanted to change it to December 31. Mr. Krasley said yes. Ms. Soto asked for their highest number. Mr. Krasley said they could do \$52,000. Ms. May said plus the 4%, and Mr. Krasley said yes. Ms. DiBerardino said that would be \$54,080. Ms. Soto asked for any other questions. There were none. Mr. Horst asked if the Board was ready to make a decision, and they said yes. Therefore, he brought the other bidders into the room. Ms. DiBerardino then made a motion to sell 539 East Chestnut Street to Randell Zook and Chris Leaman for their total purchase price of \$62,816, which is inclusive of the 4% commission, with a completion date of March 31, 2016. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Horst thanked those who came and made proposals. If they didn't get a property, there are more available on the list. Ms. Soto said we will be correcting the form so there will be no more confusion about the 4% commission. But additionally, if you know if there are competing offers, make sure you sharpen your pencils and come with that information ready for a counteroffer because she doesn't like people having to do that on the fly. When they come in to review the properties, the realtor should let them know that.

Mr. Horst went on to the Update on Residential/Commercial Properties. Mr. Patterson said he has not heard from Matt Beakes on 445 East Strawberry Street. He emailed him again. He is still working with Rev. Bailey and they are waiting to hear from Mr. Beakes.

On the Queen Street Garage, the project is actually done. The contractor has to put a drain in where some grinding was done because of some pooling of rainwater. The State has released \$225,000 of the remaining \$300,000. They are holding \$25,000 until they complete their audit. Daryl Peck and Mr. Patterson have been working with Fulton Bank to figure out how to apply the undrawn portion of the loan. He said we took the loan out for \$5,075,000 but we only used \$4.6M so we have money to appropriate back against the principal. What we are proposing to them, at the end of the term, we do \$100,000 a year, which actually brings in the proposed debt service pretty close to what our current TIF Revenue Funds are. So we wouldn't need to have any additional projects other than the Lancaster Press Building come on line and cover our debt service. That's good news. The \$225,000 will be put against the principal

because we actually drew from the loan to close out the RACP loan. So, his guess is that he will have that for the Board next month. Fulton Bank actually requires a Board resolution to do that.

For the Lancaster Press Building Mr. Patterson said we have a \$900,000 construction line that becomes due and payable in October (he thought) of this year. He thought the loan closed in April of 2013. That loan was to allow Ed Drogaris to start construction so he could continue to work with the bank with permanent financing. At that time he was looking at a mixture of condominiums and apartments so we were expecting a construction loan that would then be taken out by permanent financing and our loan would get paid off in that period of time. Because Mr. Drogaris is doing 100 percent condominiums, there is really no permanent financing piece, so everything is the construction loan and it gets paid off as units get sold. So we have two situations. He has a \$750,000 loan that he has asked us to subordinate to continue ongoing renovations while he is negotiating the balance of the construction financing, which is roughly \$9.4M. The bank has asked us to subordinate our \$900,000 loan to that \$750,000 loan. Mr. Patterson said he's fine with that since we have subordination language in the original loan agreement. The challenge for us is to get a subordination language which makes sense for just the \$750,000. They keep adding language that allows them to increase that amount and keep us subordinated, and that's what we are not happy with. If we can get that agreement in place, we will subordinate just to the \$750,000, and we will continue to negotiate on the \$9.4M. In our negotiations, some percentage of each sale to help pay down the loan, even if it's ten percent or some portion, or Mr. Drogaris has to agree to a date certain when the loan is paid back, whether his construction loan with the bank is paid for or not, he has to pay our \$900,000 back. Mr. Patterson's explanation to him when we provided the loan, it was understood to be an interim loan. It was understood to be a short term loan. It was not understood that that \$900,000 loan would hang out there until every unit was sold. Mr. Patterson said we will continue to work on the short term, the smaller subordination, but basically we have told him that he has two choices. We want a percentage of the sales of each unit, the bank has to agree to that, or he agrees with a date certain of payment which will not be October of this year. It could be December of next year, but we will have to talk about that. That's where we stand right now with negotiations. Mr. Byler asked when you said we get a percentage of each condo, you mean to pay us back or as a fee. Mr. Patterson said to pay us back. So the bank would get 90 percent and we would get ten percent of each sale proceeds until both loans are paid off, then he gets proceeds when both his loan and our loan is paid off. Mr. Byler said you would think if he is going for a big \$9M loan, he could squeeze in \$900,000 to pay us off. Mr. Patterson said that's what his response to Mr. Drogaris was. It's not really the Authority's concern. We can't do any other projects as long as that \$900,000 is sitting out there. Mr. Horst asked how many units will be in the project. Mr. Patterson said he has about 40 percent presold out of 48 (?) units. He thought Mr. Drogaris' average price will be around \$400,000. He has some that are \$275,000. After further discussion, Mr. Patterson said he would need to have a certain number presold before the bank would negotiate the loan. He doesn't want the bank's \$9.4M plus the \$750,000 paid off before we get our loan repaid. We will continue those negotiations. We really authorized us to do that smallest subordination; he will bring the other one back to the Board soon.

Mr. Patterson moved on to 12 Coral Street, saying it is a fire damaged property that we own. There are some issues with the neighboring property owner. We incurred some expense to

tarp the roof and seal some of the seams between the two properties. The fire escrow is still being held by the City. Since the property owner that has the insurance walked away and allowed us to take it, we are trying to figure out whether or not the City can use the fire escrow to demo the property. This is the one that has a just comp of \$3,700, and we refused the offer of the one gentleman two months ago because his rehab agreement didn't include a lot of the structural issues that needed to be repaired. The property owner next door at 14 Coral calls us on a consistent basis. He's interested in buying it but only if the City releases the escrow to demo the property. He will keep the Board up to date.

Mr. Horst said that Ms. Faggart handed out the operating pro forma from the Garage. She forgot to do it at the beginning of the meeting. He was wondering if Mr. Patterson had any comments. Mr. Patterson said right now we are actually in pretty good shape. Monthlies are continuing to stay pretty steady, transient revenue the same, so we would expect to make a small profit at the end of this year. There are some parking changes happening in the neighborhood that may provide us an opportunity to have a larger number of permanent monthly parkers. Mr. Byler asked about the Armory. Mr. Patterson said the Armory was purchased by an individual who doesn't have any current plans for it.

Mr. Patterson said another property at 622 South Lime Street was scheduled for Act 1 tonight. He pulled that because we are working with South Ann Concerned Neighbors who is working with the owner of the property. She is an elderly woman. She is making mortgage payments. She is still the owner of the property and may allow us to provide Homeowner Rehab funds to her to renovate the property so she can remain the owner of the property. He pulled the property as long as we can keep it rolling and we don't get any complaints from the neighbors, which he doesn't expect since SACN is involved. Ms. May asked if it's condemned. Mr. Patterson said yes. Ms. May said but she can't live in it. Mr. Patterson concurred and said normally, that would preclude a homeowner from receiving home assistance but she is still making mortgage payments and HUD will allow us to provide funds. Unfortunately, we have a waiting list right now, so it would probably not be until sometime early next year that we would be able to assist. SACN is trying to raise money to do some basic work to weatherize the building over the winter.

One thing Mr. Patterson talked about briefly last month is that the City is no longer able to sell or give property or its assets by RFP or by negotiated sales with the realtor. It can only sell them by auction or by competitive sealed bids. However, it can transfer ownership to an entity that can sell by negotiation or RFP. The City has actually been negotiating the sales of properties within the KOZ then transferring ownership to an authority. We have been using the Lancaster Municipal Authority for the KOZ properties because it's an industrial zone and it matches their mission; however, if we get to the point of selling Southern Market or currently negotiating for the sale of the Masonic Hall building we would have to go through a third party. The Redevelopment Authority is the best entity for the City to use. It's simply like a pass through, so there's no liability to the Redevelopment Authority, so Mr. Mincarelli's been working on a resolution to deal with this particular issue authorizing the Authority to act in that regard. He will speak about this under the Solicitor's Report.

Finally, he wanted the Board to know about the Mix at Arbor Place. The Board accepted their offer subject to the Historical Board review. They went before the Historical Commission for a conceptual review last month and will be back this month with their final plan. Ms. DiBerardino thought they needed to go back to their Board. Mr. Patterson said their offer was contingent upon the Historical Commission review and agreement to demolish the property.

Mr. Horst moved on to the Report from Joe Younger Realty Group. Mr. Younger prepared a small agenda of things he wanted to go over this evening. First and foremost, he thought this ties into what happened this evening. His brokers are beginning to hit their stride in this working relationship. Mr. Byler could probably attest to some of this. When you hire a real estate brokerage to list properties for sale, you are hiring them to market and advertise them for sale to draw the most amount of activity you can get and, hopefully, through creating atmospheres like this whether we enjoy it or not, to help drive prices up and we are in fact doing that. Mr. Younger was happy with the progress they are making. His brokerage now has 28 percent market share in the city. They are the largest real estate brokerage in the city. They sell more properties than any other brokerage in the city. He thought part of the reason the Redevelopment Authority chose his brokerage to do business with was because of their ties to the community, the people they do business with, and what they will get into next as far as their relationship with non-profits like LHOP. He hoped everyone agreed that it is working out.

As an update on the gap financing, they have been working with a group of local private investors. Ms. Bousquet and he had a conversation with CFF but it didn't work out very well. They are trying to find an investor that can come in and help with the gap financing for owner occupants, individuals who want to come in, do the rehab work and become an owner occupant. Mr. Younger thought LHOP was going to help him put a program together that's going to make sense for everyone. Mr. D'Agostino met with him on several occasions; Ms. Bousquet has met with him, and Mr. Patterson has had conversations with him and, hopefully, over the next two weeks they will put a program together that is going to help eliminate all the rest of the properties on the list. He is extremely optimistic that it's going to work. Mr. Patterson said we will need to include Mr. Mincarelli in the basic structure. Mr. Horst asked if that's 4% on the top. Mr. Younger said that's the next part of this. He didn't believe the conversation should have been held earlier and he will have a conversation with Mr. Ortega later. The fact is that their perception or understanding of their agreement is that they were going to get paid a percentage of the sales price, the final sales price. That's how they are advertising and marketing the properties. Buyer's realtors, regardless if they are from Younger or another firm, believe that's how it's being paid out. If they continue to do their job in the manner in which they are doing it, evenings like this evening's, we will see a lot more of these and, hopefully, we are going to continue to drive these prices up so that its more profitable for the Redevelopment Authority to the point where we are getting \$20,000 more than the just comp. He said that's fantastic, he wants to see that happen more and more. The only way for that to happen though is if we are getting a commission percentage of the total final sales price. Ms. May said and that is what we did. Mr. Patterson said what will help make that clear is adding that other line for the just comp. Ms. May said she had another comment. Sometimes when we have to go to court we have to pay more. Mr. Younger said he does understand that. The question of how this originally came up was, should the 4% come out of the just comp or should it be added on top of the just comp.

Mr. Younger said Messrs. Patterson and Mincarelli attested to the fact that he was a firm believer that the Redevelopment Authority should charge 4% more than the just comp; it shouldn't be buried. Then the question was should the 4% be based on just the just comp or should it be the just comp plus the \$1,500. He thought it proves that ideally for everyone involved, it makes a lot of sense to base the 4% off the end sales price. The Board agreed. Mr. Younger said that's what the realtors who come in here are accustomed to. He wants to simplify the process and make it as easy as possible for everyone. It was brought to his attention this evening that there might be a legal issue with that. Mr. Patterson said we could make sure, from a legal perspective on the Authority's side, that this method of establishing the sales price was permitted. Again, this marketing material is clear – this is the just comp, this is \$1,500, this is the 4% on that amount. We need to make it clear that the people understand that, and he thought changing the form would still be confusing. Mr. Younger wanted to be clear on that because they actually don't break it down that way. On the MLS they have a list price, and that list price encompasses the just comp, the \$1,500 in fees, plus the 4%. So it's that total they are listing the property for, but nowhere either in the MLS or on their website do they have the just comp delineated. Mr. Patterson said but here's the challenge. If the list price is listed in the MLS as \$1,500 plus 4% and we get into an issue of the Board of View, the Board of View could say so you are selling that property for X but yet you are only paying me the just comp of Y. What's the difference? So, that's part of the challenge for us in terms of a Board of View looking at what the actual market value of the property is, so we need to be able to break it out and say the value of the property is this, and we have this, and this added to it. Ms. May said those are fees. That's part of our challenge in terms of how the properties get listed and shown. Mr. Horst said nobody is going to come back and sue us at a Board of View if we sell it for less than the just comp. If we sell it for \$20,000 more and they see that, they can come back. Ms. May said they can come back and sue us if we sell it for less and we still have to pay the difference. After further discussion, Mr. Patterson said we're not talking about a lot of money, it's basically \$3,000 in some cases, but just understand at a Board of View (Mr. Mincarelli has been before them) they are looking at market value of the property as well as our appraisal. If the MLS listing has a list price of \$50,000 but the just comp is \$46,500, Ms. Soto said we are paying off that \$50,000. Mr. Patterson said that's part of the challenge of how we show things. Mr. Byler said when we go to a Board of View, we build in Mr. Mincarelli's costs and our holding costs, we still pay the price of this, which is just comp plus our holding costs, which is the sale price. Mr. Patterson concurred. Ms. May said when we go to a Board of View, we are talking about market value at the time of taking and the market value is before commissions. Mr. Mincarelli agreed and said it's what you could sell it for at that time. He said if you have carrying costs and real estate commissions, those are all on top, but the market value is what you could sell it for. Mr. Patterson said if a listing in the MLS is \$43,520 and our just comp level is \$42,000, does that impact the Board of View. Mr. Mincarelli didn't think so. The only evidence before the Board of View would be evidence of its fair market value. What Mr. Younger is listing it at would compensate us for the fair market value plus the carrying costs. So the Minimum Asking Price is what he thought it should be called on the form instead of Just Comp Plus Fees. The Minimum Asking Price would be whatever our just comp figure is, the \$1,500 carrying cost, then the real estate commission if it's calculable. That's the problem. Unless you calculate the real estate commission on the just comp figure, you really don't know what that Minimum Asking Price is going to be. Most of the time, unless we get multiple offers and the price increases, then the question is

how does the commission handle the increase when it occurs at the meeting as opposed to out there in the market place. Mr. Horst thought we should pay the commission on the increased price but he didn't think it's difficult to come up with the minimum if you take whatever the just comp is plus the \$1,500 then add 4% to that number, then you have a Minimum Asking Price. As long as we know what it is, but he was getting confused and when he interrupted Mr. Whitham, he got mad at him, and he was trying to find out where is the just comp that we get? He wasn't sure if anybody else gets that, and this includes that \$1,500 added to it in our numbers. Ms. Soto said it's easier if it's at the top of the page. Mr. Horst said he checks the list that Ms. Faggart updates (included in the packets) to make sure it's the same. Mr. Younger said a lot has happened since the last Board meeting. When they change the list price in the MLS on their website and all their advertising and marketing, maybe he only assumed, but that is the minimum, that's what they are expecting the purchaser to pay for the property. Ms. Soto said what's happening is that we have to back out, we have to do the calculations ourselves to back out and know what we are getting. She wasn't here at the last meeting so she wasn't aware of what was on the form was inclusive. Ms. May said it has to be clear to all parties. Ms. Soto said her concern is that we are giving some serious timing to do their calculations. Having them bring their calculators will take them two seconds to figure out what they are willing to pay but it's a little bit stressful. The only suggestion Mr. Younger had is what he heard from two different buyers. They would have loved to have the opportunity to sit in here together and basically have an auction. Ms. May said we used to do that and we were uncomfortable with it so we changed. Mr. Horst said the reason we've said no to that in the past, we would have to advertise that that's what we are going to do. Mr. Patterson said the challenge for him is if you bring owner-occupied folks in who want to live in a house, that's a complicated process for us. Mr. Horst said you have to be fast if it's an auction. Ms. May said people who have been rehabbing and selling for years and know their costs, those people might be happy to do an auction, but not someone here for the first time. After further discussion, Mr. Mincarelli said this Board doesn't always award the property to the highest bidder so that creates a problem also. After a comment from Ms. Soto on mentioning the possibility of offering more if there are multiple offers, Mr. Patterson suggested a sheet from us that claims just comp and could add a sentence at the bottom about our process, and they do need to be prepared if there are multiple offers, so what would be your best offer, coming from us as the Redevelopment Authority, instead of from you. Mr. Younger said he goes back and forth from the standpoint that he hesitates to put anything in front of buyers or other realtors that can complicate it in their minds, what exactly is this just comp. Mr. Mincarelli said Minimum Asking Price is what we are trying to strive for, and from there you can go up. Mr. Younger said encompassing everything in one number might be best.

Mr. Horst moved on to the Solicitor's Report. Mr. Mincarelli had a resolution relative to what Mr. Patterson was talking about – an arrangement between the City and the Redevelopment Authority by which the Authority would sell some real estate that the City owns in order to avoid the Third Class City Code which requires auctions on the sale of real estate owned by the City. The City has certain parties interested in purchasing these properties, and if they go through the Redevelopment Authority, we are not bound by the same rules as the Third Class City Code, so we can sell the property to anyone we care to. In this case, it would be under an agreement with the City that we are just the conduit. If the Board adopts this resolution, it would be a master agreement which defines the roles of the two parties, the Redevelopment Authority and the City

of Lancaster. We would hold the title for a matter of minutes in any closing that comes to us and goes through us. There are no transfer taxes involved because of the status of the parties involved, and any costs that would be incurred for preparation of documents would be reimbursed by the City so that the Authority is made whole. The Authority doesn't stand to lose anything when indemnified by the City. Mr. Patterson wanted the Board to know that the City is passing all costs on to the client. Ms. Soto asked about the resolution. Mr. Mincarelli said it would be 48. Ms. May asked if the Authority would incur any costs by this. Mr. Mincarelli said there will be some costs incurred but they will be reimbursed. According to the Master Agreement, all costs incurred by the Redevelopment Authority will be reimbursed. She asked about liability. Mr. Mincarelli said the City will keep all properties that come through us (even if it's for two minutes) insured until we convey them out, so as far as the liability is concerned, we are covered by the City's insurance policy. Mr. Patterson said when we do these, for the most part, they are in a Redevelopment Area. It fits in with the definition of a Redevelopment Authority. Mr. Mincarelli thought a good example is the property closing soon at 848 South Prince Street with the Lancaster SPCA. The City wants to make sure the LSPCA gets that property and not have to put it out for bid. Therefore, Ms. May made a motion to approve Resolution 15-9-48 authorizing the Acquisition of Real Estate from and the Conveyance of Real Estate for the City of Lancaster. Ms. DiBerardino seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Mincarelli handed out his monthly report on the status of various properties and also the second page on the status of properties sold under redevelopment contracts and those under agreements with the Board. A number of them are expired. Several properties are going up for Tax Sale. Mr. Mincarelli said sometimes with the first Tax Sale, they don't sell because nobody offers enough to cover the taxes. That's the Upset Sale. The Judicial Sale is the second time through where they sell them free and clear. Then, no matter what you bid, you will have a buyer. The first sale oftentimes doesn't result in a sale. Mr. Mincarelli thought the next one was on September 20.

Mr. Horst asked for any other business. There was none.

Having no further business to be brought before the Board, Mr. Horst adjourned the meeting.

Respectfully submitted,

Carolyn Faggart

