

FHA Development Inc.
Special Meeting Minutes

August 27, 2020

I. Call to order

Special Meeting of the Board of Directors of FHA Development Inc. was called to order on August 27, 2020 at 8:49PM at the Fayetteville Housing Authority office, via Zoom, by Chair Terry.

II. Roll call

Director Terry conducted a roll call. The following Directors were present: Director Breashears, Director McMahon, Director Rios-Stafford, Executive Director Belford. Absent: Director Bensing

III. Old Business

- **Discussion about terms of Developer Agreement with Cardinal Capital:** Executive Director went over red-line changes on the developer agreement with suggested changes. The changes made were:
 - Executive Director, Angela Belford is noted as the authorized person of contact with Cardinal Capital and she is authorized to make decisions. There will be an included exhibit of the reporting process and timeline.
 - Insurance requirements are dictated by the bank and these will be listed in more detail later when a construction manager is required. At this point, it is only the minimum requirement listed.
 - Progress meeting clauses were to combine to say that these are held at least bi-weekly.
 - A spending limit of \$425,000 without approval was entered giving FHA Development as a stop gap to mitigate costs.
 - The development fee of 5% for Cardinal Capital and 5% for FHA Development was more clearly defined.
 - Director Breashears questioned clause 4-C and asked for clarification in terms of ownership structure. Executive Director Belford stated that FHA Development would be the owner. It was discussed also that several clauses were added stating that items were to be based on what is agreeable to both parties (Cardinal Capital and FHA Development).
 - Director McMahon asked for clarification on item D in the Recitals portion of the contract. Executive Director Belford explained that anything in question falls back to the scope of work of the RFP as to what is excepted on the project.

- **Resolution 24 Authorization for Executive Director to sign Developer Agreement:** Floor was opened for discussion. No discussion initiated. Director Terry moved to accept Resolution 24. Director Rios-Stafford seconded. All in favor. Motion passed.

General Discussion

There was open discussion of storms from Hurricane Laura and how Fayetteville Housing Authority is prepared with sandbags, cleaned drains especially at Willow Heights, etc. to prevent as much flooding as possible from the rain.

Director Breashears, Director McMahon and Executive Director Belford discussed the market study and how quickly it can be obtained. It cannot be obtained prior to six months before financing. We are hoping for a high-level report soon that will let us know if we are on track.

IV. Adjournment

Special meeting of FHA Development, Inc was adjourned at 9:19PM