

**ROAD HOME CORPORATION, DBA LOUISIANA LAND TRUST
BOARD OF DIRECTORS MEETING
MINUTES OF JUNE 25, 2009**

held at
Louisiana Housing Finance Agency Office
2415 Quail Drive
Baton Rouge, LA 70808

(Approved by LLT Board on October 21, 2009)

CALL TO ORDER AND INITIAL MATTERS

The June 25, 2009 meeting of the Board of Directors of the Road Home Corporation was called to order at 1:00 p.m. by Vice Chairman Walter Leger. The roll was called with the following results:

Present: Walter Leger, Jr.
Joseph Williams
Donald Vallee
Daryl Burckel
Wesley Wyman
Alvin Guillory

Absent: None.

A quorum of the board was present.

APPROVAL OF MARCH 11, 2009 AND MAY 15, 2009 MINUTES

Mr. Williams moved to approve the minutes of the March 11, 2009 meeting. Dr. Burckel provided the second. Mr. Vallee asked to include in the minutes his request to the Executive Director for monthly reporting by parish, financial reports based on actual time lines, funds spent, remaining balances on contracts, and expiration dates. The motion to approve the March 11, 2009 minutes, including the amendments requested by Mr. Vallee, passed unanimously.

Mr. Williams moved to approve the minutes of the May 15, 2009 meeting. His motion was seconded by Mr. Wyman. Mr. Vallee requested that the minutes include the same revision he requested in the March 11, 2009 minutes. Also, he requested that the minutes reflect his comment that the Growing Home Program was a bad business practice and that he objected to it. Mr. Leger asked that the amended minutes reflect his view that the Growing Home Program was a good idea. Finally, Mr. Vallee asked that

the minutes reflect that the board received the financial reports for review and that the board merely received the financial reports; it did not accept or approve them.

As amended by Mr. Vallee and Mr. Leger, the motion to approve the minutes of May 15, 2009 carried without opposition.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Michael Taylor reported that the clarifying amendments to LLT's legislation had been passed by both the House and the Senate, and that it was presently awaiting the Governor's signature.

Mr. Taylor then turned to a report on LLT's property inventory, currently at 9,819 properties, with little change in the last several weeks. He reported that LLT's inventory should top out around 10,000. Mr. Taylor also reported on a computer problem that prevented an accurate data feed for property closings for owners who originally chose Option 1 and later switched to Option 2 or 3. Because of the glitch in the E-Grants computer program, those properties were not reported to LLT, even though LLT owns them. LLT's Real Estate Manager, Cathleen Carney, is working to resolve the problem.

Deputy Executive Director, Raymond Allen, provided a report on the CSS contract. Mr. Allen addressed the board's questions about properties where Orleans Parish experienced frequent security problems and the need to prioritize these properties for demolition.

Mr. Allen then turned to an update on the Task Force contract. Mr. Rowland Kimbrough and Mr. Jack Iberstein gave a presentation to the board on the activities of Task Force and on the services provided under its contract.

LLT's Real Estate Manager, Cathleen Carney, reported on the status of closings, indicating that 57 closings had been completed, and that another six were scheduled for the next day. Title work has been completed on an additional 432 parcels. Of those, 11 are slated to be Lot Next Door closings, and 11 are planed as developer transactions. Starting next week, the remaining properties with completed title work will be transferred to NORA, with the first 200 transactions planned.

Ms. Carney reported that LLT is working closely with St. Bernard Parish on its Lot Next Door program. She also reported that Jefferson Parish properties are scheduled to go to auction on August 15, 2009.

Mr. Vallee inquired about Growing Home Program mortgages. Ms. Carney explained that the mortgage is not a financing document in the traditional sense, but instead is security for the homeowner completing the improvements that justified a credit against the purchase price. Once the improvements are completed, the mortgage would

be cancelled. Therefore, it is not financing, *per se*.

There followed an extensive discussion of the Lot Next Door program in both Orleans and St. Bernard Parishes. Concerns expressed by a board member included the time frame for property transfers and the possible termination of the Lot Next Door program altogether.

Mr. Taylor reported on the June 17, 2009 contractor workshop at the CDM. Thirty contractors attended the briefing on how to prepare bid packages, timelines for submissions, LDEQ requirements, and pertinent legal issues. Additional workshops may be held at in the future.

Mr. Taylor, assisted by Mr. Bob Batherson of CDM, reported on the status of various demolition bid packages. As the No Action Assurance (NAA) provision expires on June 30, 2009, homes with asbestos will no longer be eligible for demolition and streamlined regulated asbestos containing material (RACM) procedures. Abatement will then become an integral part of future bid packages unless the Louisiana Department of Environmental Quality (LDEQ) and EPA retreat from these positions.

Mr. Vallee noted that he wants to have an estimate of cost reported to the board before bid packages are released. The chair suggested deferring discussion of the topic until the procurement item on the agenda.

Mr. Taylor reported that LLT was working regularly with Ms. Ann Herring at the Office of Community Development (OCD) on environmental reviews. Despite incomplete environmentals, OCD gave verbal, not written, approval to proceed with demolitions on slabs only. In addition to proceeding with demolitions, LLT can advertise and market the properties; take contracts for the properties; and prepare all closing documents with the exception of transferring title to the properties in advance of OCD completing its environmental assessments.

With regard to the Parish cooperative endeavor agreements, Mr. Taylor reported that substantial progress is being made on parish disposition CEAs. LRA approved 21 parishes at its last meeting.

Mr. Taylor reported that LLT signed an agreement with Entergy and was prepared to move forward, subject to payment of the necessary fees. Entergy requires \$499.00 per disconnect for removal of utilities - primarily live gas lines. The fee only applies to properties in Orleans Parish. There was some discussion as to why Orleans Parish was the only parish where LLT had to pay such a fee. The answer, in part, lies in the franchise agreement between Orleans Parish and Entergy, which is unique in Louisiana.

AMENDED AND RESTATED COOPERATIVE ENDEAVOR AGREEMENT WITH OCD

Mr. Taylor reported on the need for substantial revisions to LLT's cooperative endeavor agreement with OCD. Originally, the CEA was a loan agreement. However, HUD wants a more standard recipient grant-type of agreement in place by June 30, 2009. In addition, there would be some changes to the language of the agreement with regard to a monitoring report. Because the amended agreement was not finalized for review at the meeting, the board decided to table approval of the agreement. Mr. Legnon spoke on the ramifications of withholding approval of the loan agreement beyond the June 30th deadline. There was lengthy discussion as to whether to authorize the Chairman to sign the amended agreement without the board's review and approval of the final text to the document. Mr. Leger noted that it is not the board's role to negotiate contracts.

Dr. Burckel then made the motion to authorize the execution of the amended and restated cooperative endeavor agreement between LLT and OCD, subject to the board's ratification at the next meeting, and that the execution would not be effective until ratified. Mr. Wyman seconded the motion, and the motion passed with no opposition.

MODIFIED ACCOUNTING POLICY

Mr. Legnon advised that he sent a modified accounting policy to the board members. The board agreed to defer discussion of the modified policy until the next board meeting to allow the board more time to review it.

MAY 2009 FINANCIAL RESULTS

With regard to May Financials, the board reviewed two documents: an Excel spreadsheet of the budget for May 2009 and a document titled "Budget Variance Explanation as of May 31, 2009." There was discussion on items with a positive or negative variance of \$10,000.00 or more. There was lengthy discussion with regard to property taxes, insurance payments, maintenance expenses, and legal fees.

2010 FISCAL YEAR BUDGET

Mr. Legnon made an extensive presentation of the proposed 2010 Fiscal Year Budget and the assumptions on which it is based. Mr. Vallee moved for acceptance of the 2010 budget as presented, included with these minutes as attachment "A." The motion was seconded and passed without opposition.

**COOPERATIVE ENDEAVOR AGREEMENT WITH STATE OF LOUISIANA,
DEPARTMENT OF ENVIRONMENTAL QUALITY**

Mr. Taylor reported that LDEQ's staffing limitations inhibit the speed of LLT's demolition program. LLT is in the process of negotiating to hire contract monitors for an estimated \$700,000 to \$800,000, as proposed in a cooperative endeavor agreement included in the board's packets. Mr. Vallee moved to approve the CEA, and Mr. Williams seconded. Mr. Taylor suggested adding language, per Mr. Franckiewicz's recommendation, that would reserve LLT's right to challenge the applicability to LLT's properties of any statutory or regulatory requirement or to enforce exemptions pertinent to such statutory and regulatory compliance. Mr. Vallee and Mr. Williams accepted the revision, and the motion was passed without opposition.

**REVISED RESOLUTION FOR AUTHORITY TO
EXECUTE PROPERTY TRANSFER DOCUMENTS**

Mr. Franckiewicz reported that the board has previously authorized Mike Taylor, Cathleen Carney, and Eddie Legnon to sign conveyance documents. He recommended additional authorization for them to delegate to others the authority to execute documents that do not transfer ownership. The need specifically arises for signatures for permit applications, subdivision applications, and Lot Next Door purchase agreements. There was some discussion about professional liability insurance and coverage for actions of various employees.

After that discussion, Mr. Williams moved to approve the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
of
ROAD HOME CORPORATION
regarding
PROPERTY CONVEYANCE**

BE IT RESOLVED, that Michael B. Taylor, Edwin K. Legnon and Cathleen Carney, as Closing Agent, be and they are hereby each individually authorized and directed on behalf of the ROAD HOME CORPORATION ("Company") to sell, convey, transfer, donate, assign and deliver, (collectively referred to as "Conveyance") for and on behalf of the Company any immovable or movable property or both ("Property") owned by the Company situated in the State of Louisiana.

BE IT FURTHER RESOLVED that Michael B. Taylor, Edwin K. Legnon and Cathleen Carney, as Closing Agent, are each individually authorized and directed on behalf of the Company to execute any and all documents necessary or incidental to the Conveyance of Property owned by the Company in accordance with the terms of this resolution or on such other terms and conditions and under such circumstances as they shall, in their personal discretion, consider advisable. They are also hereby authorized and directed on behalf of the Company to delegate to others the authority to execute documents that do not transfer an ownership interest but which are necessary or reasonable in preparation for Conveyance (such as rights of entry, permit applications, subdivision applications, and purchase contracts) with respect to individual properties, under such terms and conditions as they deem appropriate.

BE IT FURTHER RESOLVED that all that Michael B. Taylor, Edwin K. Legnon and Cathleen Carney, individually as Closing Agent, have done (or may have done) in connection with the Conveyance of Property owned by the Company is hereby ratified and confirmed.

Mr. Guillory seconded the motion. After some discussion, Mr. Vallee moved to amend the resolution to limit delegation of signature authority only to LLT employees. The amendment did not receive a second. After further discussion, Mr. Leger called for a vote on the motion to approve the proposed resolution. Messrs. Leger, Williams, Guillory, Wyman and Dr. Burckel voted yes. Mr. Vallee was opposed. The resolution passed.

CLARIFICATION TO PROCUREMENT POLICY FOR DEALINGS WITH PUBLIC AGENCIES AND NONPROFITS

Mr. Taylor reported to the board that in the process of working with LDEQ on the CEA approved earlier today, LLT realized that the procurement policy did not expressly cover transactions with public entities and nonprofits. He turned the presentation over to Mr. Franckiewicz who described the need to amend the procurement policy to handle purchases and project or service agreements with public entities and nonprofits (such as the Preservation Resource Center). The board's consensus was to defer the issue for further consideration after a written recommendation was provided to the board for advance review.

REQUEST TO NEW ORLEANS CITY COUNCIL TO WAIVE PERMIT FEES

Following a brief discussion, Mr. Williams moved to request the City of New Orleans to enact whatever ordinances necessary to relieve LLT of any and all fees. Mr. Wyman provided a second. The motion passed with no opposition.

TASK FORCE CONTRACT CAP

Mr. Legnon reported on the need to increase the cap on the Task Force contract. Mr. Vallee moved to increase the cap to \$23.5 million to carry the contract through the extended contract period ending August 16, 2009. Mr. Williams seconded the motion, which passed with no opposition.

PUBLIC COMMENT

Mr. Leger called for public comment, but there were none.

LEGAL STATUS REPORT

Mr. Wyman moved to go into executive session for a legal status report from Mr. Franckiewicz about the claims of former Executive Direction Nadine Jarmon. Mr. Williams provided the second. The motion passed unanimously, and the board went into a short executive session. Upon returning from executive session, Mr. Leger announced that no action was taken in the executive session.

PERSONNEL COMPENSATION

Mr. Leger requested Mr. Franckiewicz to look into personnel compensation issues that had been raised earlier, but that did not get put on the agenda. He noted that Mr. Taylor has information on the substance of the issues and asked Mr. Franckiewicz to make sure LLT is in compliance.

ADJOURNMENT

Mr. Williams moved to adjourn and Mr. Vallee seconded. The motion passed unanimously. The meeting was concluded at 7:15 p.m.

CERTIFICATION

I certify that the foregoing are the minutes of the June 25, 2009 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on October 21, 2009.

Certifying Board Member

Date

389059_1.DOCX