

**MINUTES**  
**of the**  
**BOARD OF DIRECTORS**  
**of the**  
**SOUTHERN DISTRICT OF THE LUTHERAN CHURCH-MISSOURI SYNOD**  
**MARCH 24, 2007 – TELEPHONE CONFERENCE CALL**

**PRESENT:** Pastors: Doroh, Ertl, Kuehnert, Schultz and Weier.  
Mrs. Arbogast, Reilly, Miss McCreery, Mr. Casamento, Dr. Kaul

**ABSENT:** Pastors Davis, Richter, Schmieding, Mr. Craig, Teacher Pegues.

**GUESTS:** Rev. David Lewis, Mission Developer for N. Mississippi  
Rev. Gary Faith, Executive Assistant for Parish Ministries  
Mr. Gene Menzel, Executive Assistant for Parish Services

The special meeting of the Board of Directors of the Southern District of the Lutheran Church-Missouri Synod was held as a telephone conference call, on March 24, 2007. Rev. James Ertl, District Secretary, called the roll.

The Rev. Kurtis Schultz, President of the Southern District of the Lutheran Church-Missouri Synod, called the Board meeting to order at 9:00 AM. Rev. Dave Lewis gave the opening prayer.

President Schultz gave the background for the proposal, which requests the Board's approval of a \$3,168,523.00 loan to purchase a 93 acre parcel of land in DeSoto County, MS. Church Development Partners (CDP) had been in contact with the Southern District (SD) about three projects. In December, CDP had presented to the Board their basic strategy of buying large acreage and then selling off lots at a profit that benefits the church, or church agency for which the land was purchased. We had been told recently that all \$80,000,000 in CDP funds were tied up in projects, but we were still in the pipeline for a project. Recently, Jack Kellison, Executive Assistant for Finances, got a call from Lutheran Church-Missouri Synod Church Extension Fund (LCCEF) asking if the Southern District Church Extension Fund (SDCEF) could put up \$1,000,000 toward the \$3,168,523.00 loan on the property CDP would purchase. The SDCEF could not do this, so LCCEF will cover the entire loan including the closing costs (\$7,500.00). A two-year balloon note for the entire loan will need to be paid at that time, or renegotiated. Sale of the lots will cover the cost of the loan and provide 7 acres of land for CrossRoad Lutheran Church.

A motion was made and seconded to accept the proposal for a loan of \$3,168,523.00. (see the full resolution below). A lengthy discussion was held. Board members felt the DeSoto county area showed good growth. Lots in the county were selling for \$28,000 to \$30,000 per acre. CDP usually allows a 5-year period for a turn around of property; so a two year period shows CDP's confidence of selling the lots within that period. A question was asked about the 7 acres, since President Schultz had indicated the church wanted more acreage. A formal request will be made to CDP to increase the acreage for the church. Mr. Kellison was asked to monitor the sales of the land and to seek additional acres for the church.

Rev. Dave Lewis requested the prayers of the Board members for CrossRoad Lutheran Church for the services April 1<sup>st</sup> and April 8<sup>th</sup>. The preliminary services in a local high school have been well attended and the intention is to have 200 persons attending each of the April services.

After further discussion, Rev. James Ertl, District Secretary, then read the full motion.

### **LOAN TO PURCHASE LAND**

#### **BD-07-15**

WHEREAS, the Borrower desires to borrow the sum of up to \$3,168,523.00 for the purpose of purchasing a 93-acre parcel in DeSoto County, Mississippi to provide a future site for CrossRoad Church; therefore, be it

RESOLVED, THAT as follows:

1. The Borrower borrow the sum of up to \$3,168,523.00 from Lutheran Church Extension Fund-Missouri Synod, which loan is to be evidenced by one or more Promissory Notes providing for interest rates and terms as determined by the loan approval and/or commitment letter.
2. The said loan be secured by a Mortgage or Deed of Trust with respect to all the real property owned by the Borrower described as follows:
  - a. SEE ATTACHED EXHIBIT "A"
3. The legal signers as specified in the Articles of Incorporation and/or the Constitution and Bylaws of the Borrower or, if not specified, the President and Secretary of the Borrower are hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Borrower a Mortgage or Deed of Trust and one or more Promissory Notes as above provided and said Officers are further authorized, empowered and directed to do all such acts and things to execute and deliver all such documents as may, in the discretion of said Officers be deemed necessary, proper or convenient to carry out and comply with the provisions and terms upon which said loan is being made to the Borrower and the same are hereby approved in all respects.

ADOPTED, unanimously

The Rev. Gary Faith, Executive Assistant for Parish Ministries, closed the meeting with prayer.

### **ADJOURNMENT**

#### **BD-07-16**

It was moved and seconded that the meeting be adjourned.

ADOPTED

Respectfully submitted,  
Rev. Dr. James A. Ertl  
Southern District Secretary