



WEST VOLUSIA FAMILY YMCA
ASSOCIATION OFFICE
MEMORANDUM

DATE: Sunday, July 29, 2007

TO: Merger Finance Committee

FROM: Dave Shaw

SUBJECT: Current and Immediate Future Debt

Current Debt

Our current debt is an unsecured loan from Wachovia Bank with an outstanding balance of \$1,326,000. Proceeds were used to temporarily finance the purchase of 17 acres of land for the future DeBary YMCA.

- Payments are interest only; however we have been paying down principle as well.
- Interest is variable, at the LIBOR Market Index rate + 1.14%.
- The note is due Feb. 2, 2008.

Immediate Future Debt

We are under contract to borrow \$5.5 million through industrial revenue bonds, administered by SunTrust Bank. The loan will be for 20 years, although we will have the option to pay off bonds early.

- Although the bonds are variable rate, we will fix most or all of the interest cost through a swap arrangement. It is yet to be decided which of 3 indices we will use for the swap rate. The least cost rate option available to us is 0.67% LIBOR.
- We anticipate closing on this loan in October.

Loan proceeds will be used to pay off the temporary financing of the DeBary property, for expansion of facilities at the DeLand and Deltona YMCAs. We have the option to borrow an additional \$3.5 million in the same manner, and those funds would be used toward the construction of the new DeBary YMCA.