

Renaissance Board of Trustees Meeting July 23rd, 2008

Present: J. Sinclair, K. Saxon, D. Mulhern, E. Washington, N. Jacobs, A. Pless, and R. Harris

Also present: C. Engerman, K. Cherry, and Attorney E. Hershfield.

Emergency Meeting is called to order at 5:14 pm

Purpose of the meeting is to discuss documents necessary for the procurement of 1415 Hyde Park Ave and the authorization of R. Harris, J. Sinclair, and K. Saxon to sign and approve documents on behalf of the Board.

The meeting began with Kevin Cherry, CFO, providing a framework for the sources and uses of funds to construct and equip the new facility. He pointed out that the sale of the existing facility for 45 million dollars would allow the school to pay off the existing debt of 25 million dollars. The buyers have requested 8 million dollars be placed in escrow to cover the cost of leasing the present facility while the new facility is being renovated and constructed. Two million will be liquidated as the existing bond debt reserve. The school plans to borrow 18.6 million for construction coupled with 4.5 million dollar contribution in lieu of paying debt service and a 1 million dollar capital campaign contribution for a total of 38.6 million dollars.

K. Saxon asked how the interest rates for the bank loan were set and whether or not they were adjustable, and K. Cherry confirmed that the interest rate was fixed, though interest rates continue to rise for those taking out bank loans.

Attorney, E. Hershfield from the law firm of Brown / Rudnick then provided a step-by-step explanation to the Board explaining the authorization documents and the need for a vote that evening. He also provided an explanation of the *signature of agreement* requested by the buyers that the Arlington Street sellers would not file bankruptcy and requiring the signatures of all members of the Board prior to closing.

D. Mulhern asked whether or not members of the Board, upon the signing of the bankruptcy agreement, could be held personally liable if the school did in fact choose to file for bankruptcy, and Attorney Hershfield answered yes, unless the individual Board member did not vote to approve the filing of bankruptcy.

K. Saxon expressed a concern about the possibility of cost overruns in the construction of the new school, and K. Cherry stressed the need for strong fundraising efforts to provide the largest available cushion in case of the need for it even with the 1.8 million dollar contingency already built in for overruns.

D. Mulhern inquired as to the value of the 1415 Hyde Park Ave property after the construction of the new school building, and K. Cherry responded that the property with the new building will need a formal appraisal when the project is finished.

With all questions answered, R. Harris moved that the board approve the authorization documents related to the sale of 100 Arlington Street and the purchase of 1415 Hyde Park Ave, and the approval of the documents. The recommendation was seconded by Nia Jacobs and approved by the board.

Mr. Hollis Cotton was nominated for membership of the Board by Keeana Saxon. His experience and credentials were discussed by the membership.

J. Sinclair moved that the board accept the nomination of Hollis Cotton to serve on the board, and the nomination was seconded by R. Harris and approved by the board.

Meeting Adjourned at 6:28pm.

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