

BREVARD ACADEMY – A CHALLENGE FOUNDATION ACADEMY

Board of Directors Special Meeting

October 27, 2017, 3:30 p.m., BA-CFA Conference Room

Chair: Adrienne Casteen

Vice Chair/Treasurer: Nick Iosue

Members present: Zia McConnell (Secretary), Julie Gaston (via phone), Ashleigh Dalton

The Special Meeting of the Brevard Academy Board of Directors was called to order by the Chair at 3:31 p.m. A quorum was present.

Approval of Agenda:

Motion: A motion was made by Nick to approve the agenda; Zia seconded.
Unanimous vote -- **Motion carried.**

CPA firm USDA feasibility study:

Nick has done some research on the USDA loan compared to a bank loan. With a bank there is a \$71,000 origination fee and an \$8000 processing fee along with appraisal costs, and attorney closing costs. So, all in all, approximately a total of \$85,000 -- This would make our monthly payments ~\$40K/month.

With the USDA loan, there is no origination or processing fee. There is the cost of a feasibility study, which is \$15-20,000. There will be a Phase I environmental study (about 3 weeks out) for \$1500. This really is an update to the study we had done when originally looking at the property.

The loan would be a fixed 3.5% for the entire 25 year term. The additional money would be borrowed through Entegra Bank (other banks were explored as part of the comparison, but Entegra had the best option). The loan would be 4% for the first 7 years, and then it would roll to a prime +1. There is no fixed rate with the bank for longer than 7 years. If possible, we may go to a 30 year loan to reduce monthly payments.

With the USDA loan, our monthly payments will go from \$40K /month to \$32K / month.

The firm doing the feasibility study has been used by several schools: Thomas, Judy, & Tucker, P.A.

Motion: Zia made a motion to come have Thomas, Judy & Tucker, P.A. perform a feasibility study for BA-CFA in order to try and qualify for a USDA loan. Nick seconded.
Vote was unanimous. **Motion carried.**

Adjourn:

Motion: Nick made a motion to adjourn. Ashleigh seconded.
Unanimous vote -- **Motion carried.**

Meeting concluded at 3:42 p.m.