

Bay Haven Charter Academy, Inc  
Board of Directors Meeting  
March 18, 2010

Bay Haven, Inc. Board of Directors Meeting

Date: 03/18/10

Time: 12:00pm

Members in Attendance: Neel Bennett, Karen Brown, Kelly Forehand, Scotti Haney, John Meyer, Sandy Porter, Wade Rinehart, Chuck Tucker and Waylon Thomspen

Meeting was called to order at 12:06pm. Scotti Haney thanked Wade Rinehart for providing lunch for the Board meeting.

Wade Rinehart led us in Prayer.

John Meyer led the Pledge of Allegiance.

Agenda is focused on the discussion about the refinancing the Bay Haven Charter Academy's current facility. Mr. Dwan Ramsey, the Chief Financial Officer for Bay Haven Charter Academy, Inc will present the discussion.

**Discussion**

Mr. Dwan Ramsey presented the Board with a comparative analysis between The Royal Bank of Canada, Merchant Capital, and Synovus Bank. Mr. Ramsey said that each entity is highly professional. He said that RBC had the biggest fee but was the biggest firm. He felt that he could not put them forward because of the size of the fee and he can't justify that when there are other competitors available. Mr. Ramsey felt that Merchant Capital is a good prospect given their history with Bay Haven Charter Academy with prior financing needs. Also, their fee is moderate and they feel fairly certain that they could get us a favorable bond rating. Mr. Ramsey then presented Synovus as a competitor and said their fee is very low but they could not provide Mr. Ramsey with any confidence of receiving a favorable bond rating. He also said their fee doubles if there is no rating and that along with other possible roadblocks that might occur with Synovus, he felt they wouldn't be able to meet our needs for the long term.

Mr. Ramsey made a recommendation that BHCA, Inc choose Merchant Capital as the resource for the refinancing of the BHCA facility. He said that if BHCA moves forward with Merchant Capital, then there would be a 30 day process in retrieving data and preparing the data for the rating agency.

The Board discussed obtaining long term debt vs. short term debt. With short term debt there is more interest rate risk. With long term debt, it will cost a little more in debt service fees but the trade-off would be getting that long term amortization. Merchant Capital would position us to take advantage of the market right now.

Dr. Kitts maintained that he wanted to keep the monthly debt service fee as low as possible. Dr. Kitts also expressed that BHCA would have to retain current bond attorneys and that the bond council would be separate from the disclosure bond council.

There were concerns raised by Board members about legislation that could reduce the student allocation dollar amount. Dr. Kitts replied that there are 2 sides of that, and that some legislators want it increased and some want it decreased. Dr. Kitts conveyed that there is a reserve and this is a reserve for contingencies that may arise and if something did come up, BHCA could use dollars from that fund. Discussion took place about any fail-safes if a favorable bond rating was not achieved. Dr. Kitts and Mr. Ramsey explained that if a favorable bond rating was not achieved, then BHCA can opt out to going forward and seek out other options.

Wade Rinehart made a motion to move forward with Merchant Capital. John Meyer seconded the motion. Clarification voted upon during April 1, 2010 Board of Directors Meeting (John Meyer made a motion to clarify. Neel Bennett seconded the motion. All Board members were in favor). Bay Haven, Inc. has multiple points of termination of agreement as process moves along.

Don Jackson spoke regarding the RBC proposal and their history with charter schools.

There was discussion about the costs incurred for the attorneys. Also, there was a discussion on the need for the selected banks make presentation to the Board. Mr. Ramsey affirmed that he asked each of the competitors for their 'lowest and best' information regarding their costs and the assurances they could make. After he received this information, he felt confident in making a recommendation for Merchant Capital.

Wade Rinehart, Chuck Tucker, Waylon Thompson, Sandy Porter, Kelly Forehand, Karen Brown, John Meyer, and Scotti Haney were in favor of the motion. Neel Bennett opposed the motion. Motion carried.

Meeting adjourned at 1:30pm