

Minutes of February 2, 2016
Valor Collegiate Academies Board Teleconference

The Board of Directors of Valor Collegiate Academies held a Board Teleconference on February 2, 2016 from 8:00 a.m. to 9:00 a.m.

1. Attendance – Matt Beasley, David Hanson, Todd Dickson (non-voting), Michael Harmon (non-voting), Viraj Parikh, Beth Jones, Justin Testerman, David Goetz, Will Carney, John Seckman, Malika Anderson, Lauren Hayes (non-voting), Gasper Magallanes (non-voting), Sylvia Flowers, Keaton Osborne (non-voting), and Rascoe Dean (non-voting). Such constitutes a quorum of the Board.
2. Actions taken: Approved certain loans from Self-Help Ventures Fund, Self Help New Market Tax Credit, and the Charter School Growth Fund, or affiliates of the foregoing, in accordance with the general terms summarized on Exhibit A attached hereto. In connection with such approval, the Chief Executive Officer was authorized to take such action, including executing loan documents, to obtain such loan.
3. Next meeting – The next Board meeting will on February 19, 2016 at 8:00 a.m.

Attest:


David Goetz, Board Secretary
as of February 3, 2016

Voyager Financing Structure

Amount	Source	Key Details	Other Notes
\$200,000	Valor Equity Contribution	Paid as deposit to seller over four weeks in November 2015	
\$6,300,000	Self Help NMTC	4.16%; interest only during 1 st 12 months; 7 year maturity; 25 year amortization	Effective blended rate of 5.1%
\$3,780,000	Self Help Ventures Fund	6.66%; interest only during 1 st 12 months <u>on balance drawn</u> ; 7 year maturity; 25 year amortization	Effective blended rate of 5.1%
\$1,895,567	CSGF	2.75% bullet loan; half of principal due February 2019 and half due February 2021; interest due in February 2021	Extra \$200K to finance Valor's deposit
\$12,175,567	Total Sources		
\$11,975,567	Total Uses	\$11.98M Project (\$5M building purchase; \$6.97M construction including 5% hard cost contingency and 4% Contractor Fee)	
\$200,000	Balance Remaining	To be issued to Valor for equity contribution in November to boost cash position	

Other Notes about Financing Structure



- No Debt Service Reserve requirement in this loan structure
- Capital Asset Reserve requirement of \$0.30/square foot for square footage being built (about \$12K/year)
- Minimum cash balance covenant for FY 2017 through FY 2020; Valor must have a year-end cash balance equal to two-thirds of its targeted 30 day cash balance in a given year
- Separately, Valor leveraging a letter of credit from Pinnacle Bank for \$600K collateralized by \$300K of its own cash to bypass performance bond requirement
 - This temporarily restricts cash through the life of the letter of credit and helped Valor reduce its project budget by \$100K