City of Greensboro
North Carolina

November 26, 2014

Mrs. Deena Hayes - Greene
Chairman of the Board
International Civil Rights Center & Museum
134 South Elm Street
Greensboro, NC 27401

Dear Deena,

We are writing to express our concern about the ICRCM's financial status and ability to pay off all remaining tax credit obligations. This is based on our review of the ICRCM November 15, 2014 financial report prepared by COO/CFO John L. Swain and an unfilled October 22, 2014 request to obtain detailed information on the City's last $500k loan installment to the ICRCM.

As explained in our August 19, 2014 loan agreement (attached) in Item 3.h., the priority use of the City's $1.5 million loan funds will be to "repay on a timely basis the tax credit obligations, as noted in exhibit A" and then as available, "Other proceeds if any will support the operations of the Museum." Based on our review of exhibit A and understanding of the amount of encumbered and remaining City loan funds available to the ICRCM, we are concerned that the ICRCM may not have retained sufficient City loan funds to help ensure all remaining tax credit obligations are met.

To this end, we would request the ICRCM immediately provide us with the previously requested detail on the last $500k loan installment and investigate the issue identified above. If it is determined that there is a problem with the ICRCM meeting its remaining tax credit obligations, we would request the ICRCM provide the City with a detailed understanding of how the ICRCM will correct the problem (to ensure the Museum's tax credit obligations are met between now and January 1, 2017).

In addition, we have also identified a need to reconcile the ICRCM "schedule of matching funds" accounting detail regarding future loan off-set. Based on item 15 of our agreement, the loan off-set is to be accounted for within the time period of September 3, 2013 through July 1, 2015 and should include only net funds raised by the ICRCM outside the normal course of business. At present, the ICRCM detail appears to give credit for funds raised in July and August of 2013 and our City team will need to audit ICRCM records to ensure the entries reflect net funds raised.

Thank you and the ICRCM staff for your prompt attention to these important requests. We would respectfully request a complete reply from the ICRCM by Friday, December 5, 2014.

Sincerely,

Nancy Vaughan

Nancy Vaughan
Mayor
City of Greensboro

Jim Westmoreland

Jim Westmoreland, P.E.
City Manager
City of Greensboro

Attachment (Sit-In-Movement, Inc. and City of Greensboro August 19, 2014 Loan Agreement)

CC: John L. Swain, COO/CFO, ICRCM (attachment)
Greensboro City Council (w/o attachment)
International Civil Rights Center and Museum Board of Directors (w/o attachment)