



To: International Grand Basileus Rasheeda S. Liberty, First Grand Anti- Basileus Marica Harris, Second Grand Anti-Basileus Te'Lor Allen, Members of the Board of Directors, Past Grand Basilei, Cultured Pearls, Life Members and Sorors

From: Members of the Board of Directors of the Seven Pearls Foundation, Inc.

Re: Special Boule Report of the Seven Pearls Foundation, Inc. – June 2021

In 2004 at the Fiftieth Boule, the grand chapter voted to purchase one of two properties in Cary, North Carolina with the Seven Pearls Foundation serving as the holding company. The purchase price of the 1000 Southhill Drive property was \$2.6 million with an interest rate of 6% and a non-prepayment clause. **We, the Board of Directors are proud to announce we will be able to pay the building off in 2022 rather than 2024 because of you, the membership.** This is a phenomenal accomplishment! *(Note: when purchasing a commercial property, one usually has only ten (10) years to pay it off, but we were able to negotiate 20 years.)* We will be paying it off in eighteen years per the amortization schedule provided during the regional conferences: two years early! You, the custodians of the building who believed in eradicating the mortgage knowing fully what a true asset we would have when the building was paid off made this accomplishment possible.

The Seven Pearls Foundation is the holding company for the sorority in the event of a lawsuit. The property is not in peril. Although the building is in the name of Seven Pearls, it is your headquarters (Sigma Gamma Rho Sorority, Inc.). Once the sorority's name goes on the building and the organization is sued, the building can be used when the plaintiff asks for damages.

The current property value is \$3.1 million; the market value is over \$4 million. This is based on the selling of other properties in the area and that of a realtor. Based on this fact, the Seven Pearls Foundation has proven we have been good stewards of the property as we have taken a \$2.6 million loan down to \$255,073.40.

In addition to in-kind donations, the income stream of the Foundation is as follows:

- building assessment for all new members (\$100 alumnae, \$50 undergraduate)
- re-activation fees for members who have not been active since 2004
- fundraisers such as galas on off boule years, Tree of Life leaf sales, Seven Pearls pin, Seven Pearls bracelet and t-shirts

*\*Note: These are our only income revenues contrary to misinformation*

The building is in excellent condition contrary to the information provided at the 2020 Boule. The building has been sanitized more than once because of COVID-19. The janitorial service cleans the building in the evenings and any maintenance issues are handled by the property manager. The purpose of having a property manager is to insure there is snow removal, grass cut, outdoor areas are clean. In addition, the building is power washed yearly, the windows are caulked, and all common areas are in pristine condition.

Planned routine maintenance has been completed including janitorial, plant rotation and conservation, extermination, carpet cleaning, trash removal, elevator maintenance, fire monitoring, fire system and fire alarm maintenance, and HVAC maintenance. The building remains appropriately insured and up to date. All required local, state, and federal taxes have been paid as of the printing of this report. All yearly inspections have been successfully completed with no violations noted. Just recently, we replaced the third of four compressors covering the building.

2020 Summary of Expenses is more than \$202,000.

*\*Note: The Seven Pearls Foundation, Inc. has paid the mortgage from July 2020-present)*

**The mortgage for the property will be paid in full in 2022. The remaining balance owed on the mortgage as of May 31, 2021 is \$255,073.40.**

Note: There is no lien on the property at 1000 Southhill Drive.

At the 2020 Boule we were not allowed to speak and respond to the misinformation that was presented to the membership. Also, at each boule the Foundation provides a detailed financial report to the board of directors, life members and delegates. We have always given this information because we were transparent and wanted you to know how your money was being utilized. We have developed a video and placed it on the Foundation's website. The video responds to all allegations that were made in 2020.

Based on the facts presented in this report, submitted documentation, video presentations and the regional conference reports, we the members of the Board of Directors of the Seven Pearls Foundation, Inc. respectfully ask the grand chapter of Sigma Gamma Rho Sorority, Inc. to bring the rent current (May, 2021) and to resume monthly rental payments effective June, 2021.

We thank you for the trust, support, and confidence you have demonstrated through the years and even now. If you have additional questions, please contact us.

Attachments:

1. Frequently Asked Questions- Seven Pearls' Responses
2. Amortization Table
3. Document Submission Table

In Service,

*Linette Y. Caroselli*

Linette Y. Caroselli

President/CEO

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