

KCEP

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to purchase the community medium that has been operating for over 30 years.

At present, the radio station is the only tangible asset that the EOB owns that is able to generate sizable revenue from its sale. The organization has property that it owns through purchases through HUD funds, but those loans would have to be repaid at an actual fair market value leaving a marginal recovery for the EOB that barely amounts to a few hundred thousand dollars, according to directors.

Guy said that over the past six to eight weeks, the organization has received approximately 40 bids to purchase the radio station. Proposals have come from across the country and from local bidders. One of the requested guidelines that EOB has given to potential new buyers of the station is that the winning bidder keeps the station focused on the needs of the present listening constituents and programming focused for and about the local African-American community. In addition to programming conditions, EOB is requiring significant money up front to allow the agency to address its finan-

cial crisis immediately.

Guy reported: "As of Friday, March 24, 2006, we had four potential offers expressing interest in purchasing the radio station. Three of the four bids were received from two local groups — the local affiliate of Nevada Public Radio or NPR, and two separate bids by the Anthony Pollard Foundation. The fourth bid was from an unnamed national organization that requested a confidentiality non-disclosure agreement."

He added that the NPR offer was for \$4 million dollars, in cash, with "five yearly additional non-cash considerations" of \$100,000 each year in underwriting and promotional services. In addition, he said the bidder requested "seats on its community board to allow the EOB to maintain a presence in the governance of the station."

He disclosed that the unnamed group's offer was for \$5.1 million with a cash payment of \$1.7 million at the closing and \$1 million paid out over the next 45 to 50 days, with the balance paid out over ten years with interest.

"The Anthony Pollard Foundation submitted two proposals," Guy continued.

"I believe that the EOB board needs the get the proper [organizational] structure in place in order to receive the proper funding that the community is willing to give them."

— Linda Howard
Nevada Board of Regents



The foundation's first proposal had a total value of \$6 million, and Guy said it specified they were "seeking the outright purchase of the radio station with an up-front payment." That payment would be \$5 million at closing and an additional \$1 million in non-cash promotional, underwriting and other financial services, keeping the present programming intact.

"The second proposal [submitted by the Pollard Foundation] would seek to establish a joint venture/partnership offer with the EOB..." Guy detailed. The proposal would include a payout of \$2 million in cash at closing and another \$1 million to the EOB in non-cash considerations. Interestingly, as a co-ownership relationship, the foundation proposes to allow the EOB to

"maintain a board presence and be actively involved in the operations of the radio station." The proposal offers a 70 - 30 division of the net revenue with 70 percent going to the Pollard Foundation and 30 percent to EOB, with an eventual \$2 million buy-out for the purchase of the station if the EOB decides to terminate the agreement."

Many in the audience expressed some skepticism at the board's handling of the situation. Some complained that EOB failed to disclose its financial impairment to the community and that the agency failed to organize some public, early-action efforts to effectively address its deficit with help from its many financial supporters in the community.

Others asked about the process for becoming board

members of the EOB and expressed some interest in joining the incomplete board.

In response, Executive Director Murray stated that the organization had solicited loan requests from three unnamed banks that turned down the applications. People in the audience then demanded that the names of the banks be brought forward so that the community is made aware and could withdraw their monies from those banks in protest. This request was left unanswered, with board member Bennett commenting, "If I'm drowning, save me, then determine who pushed me."

It was also announced that as of last Friday, the State of Nevada Welfare Division would be terminating its contract with the EOB to provide childcare to residents of Clark County due to the continued financial mismanagement. The childcare program contract with the EOB is officially scheduled to terminate at the end of this month, and another provider will begin operations May 1.

Two members of the audience later shared their perspectives about the meeting.

W. T. Greer stated: "The KCEP issue is a big issue because the community needs

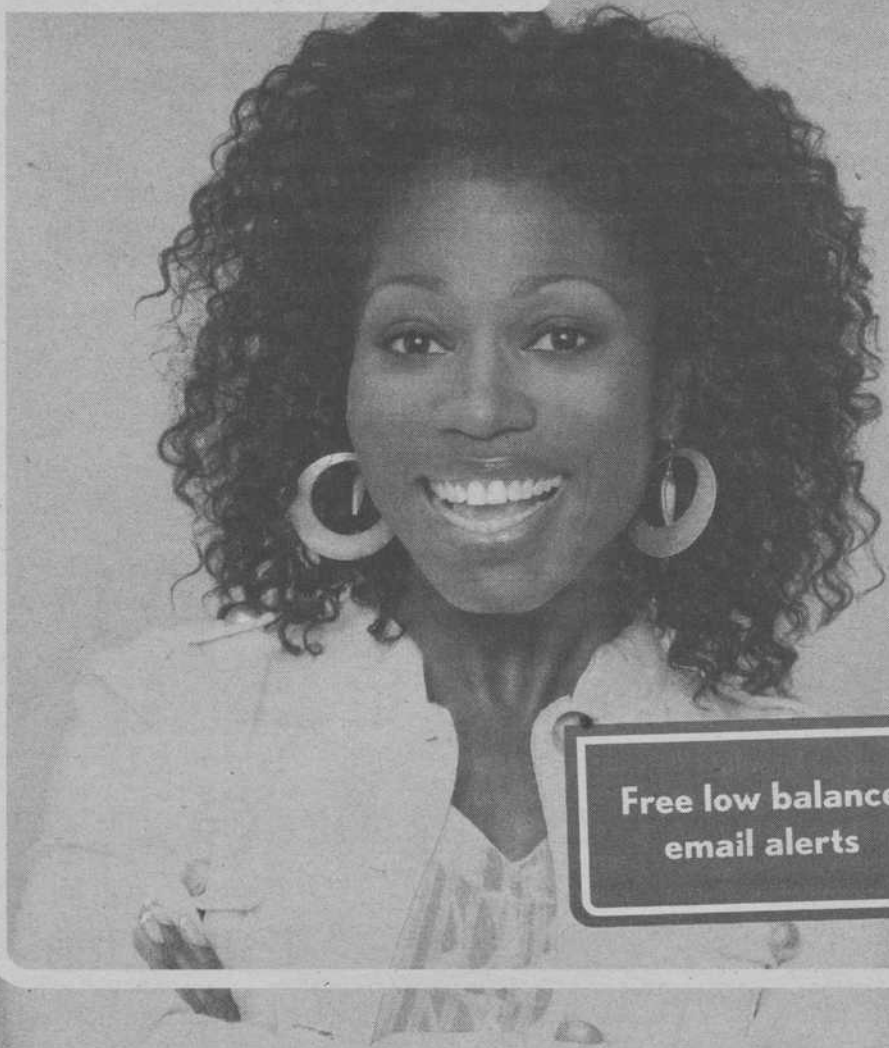
a voice, and without a voice, they are [invisible or blind] to the other communities. We have to make sure that this voice is heard."

Greer added, "Anytime an entity offers money for a purchase of land or a business, they have to have some mechanism for the recovery of their investment, and they see KCEP as a means of doing such. So why don't we do the same and seek avenues that the radio station can generate revenues through fundraising, etc., that can assist the EOB and KCEP to remain solvent?"

Linda Howard said, "First... I believe that the EOB board needs the get the proper [organizational] structure in place in order to receive the proper funding that the community is willing to give them. The second thing that the agency will need to do is to ensure that its bills are being paid and being open to admit to their previous financial problems."

An account named EOB/KCEP Relief Fund has been established with Wells Fargo Bank with the account number 2272151271, Weekly said, adding that he hopes that "Las Vegas philanthropists would step up and do something for a great cause."

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