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History of Property Ownership

In line with our policy of presenting pertinent background material to Member of the Board, we feel that it is timely to review the history of the property ownership and bring that information up to date. Many of our Board Members are quite familiar with this material, however this may be helpful to Board Members of more recent association.

During the summer of 1956 Dr. and Mrs. Marti arrived in Dayton desiring to establish a school. The Martis purchased, with their own funds, the property located at 5885 Munger Road consisting of 7.8 acres of ground. This property included a large house, the tenant house (now Lower School) and a barn (now torn down). After a down payment, the balance was financed by a contract loan agreement. Thus they laid the groundwork for a proprietary type of school.

Several months later, The Dayton Private School, Inc., (a non-profit Corporation) was formed by friends of the school, with the purpose of aiding the progress of the school to any means found to be practical. Their first efforts were to form an Advisory Board, publicize the school and enlist pupils.

As it became apparent that the school was in for a long uphill financial battle, Dr. and Mrs. Marti agreed to delegate the collection of tuitions and allocation of funds to The Dayton Private School, Inc., and its authorized representative. The Dayton Private School, Inc., in turn, agreed to pay the Martis a combined salary of $3600 per year, to rent the property from the Martis at an annual fee of $3300 (the amount of the mortgage payments due) and to operate the residence in much the same way as a Church maintains a Rectory. These obligations include payment of taxes, fire insurance, heat light, water and major maintenance items. In addition, until September 1st of this year, when the lunch program in the house was discontinued, all boarding fees accrued to the school treasury and all food and help expenses were paid from it. As of September 1, 1962, the Martis undertook the food and help expenses themselves and boarding fees are being turned over to them to help defray these expenses.

Originally the Board felt that The Dayton Private School, Inc., should purchase the property from the Martis, but no funds for this purpose have ever been available.

In 1959, when the new school house was built, Dr. and Mrs. Marti donated the 1.2 acres of ground on which the building stands, to The Dayton Private School, Inc. Other gifts, foundation loans and a mortgage provided the funds for this building equipment. The ground and building are owned by The Dayton Private School, Inc. Since this is a long story too, we will review this subject at a later date.

This brings us up to current problems.

Several years ago when the Marti mortgage had been reduced to about $22,000 it was felt that efforts should be made to re-finance the mortgage under conventional terms. In this way a slight reduction in interest payments could be effected and smaller monthly payments could be made. This would enable the school to give the Martis a larger cash salary (already authorized by the Board) and a smaller remuneration reflected by the reduction of mortgage payments. With this in mind, our legal counsel drew up a lease including the following provisions:

D.P.S. has first refusal on purchase of the property at Mrs. Marti's retirement.

Capital improvements made by D.P.S. to the property are exempted from purchase price.

Thus far, we have been unable to obtain this re-financing from conventional sources.

Harmon Darrow has devoted considerable effort to this end and came very close to success last Spring with The Gem City. However, at the last moment they insisted that three Board members countersign this mortgage. Though Mr. Darrow was one who volunteered to do this, the school management has been unwilling to make this request of other Trustees.

If this situation could be favorably resolved in the future it would have these advantages:

1. Provision for the continued ownership of the property by D.P.S.
2. Protection of D.P.S. ownership of improvements.
3. A more reasonable cash salary to the Martis, at no additional expense to D.P.S.
4. A mortgage which could undoubtedly be transferred to D.P.S., payable at the rate within the school's means.
5. Re-imbursement to D.P.S. for early property improvements made prior to the formal agreement of last year. This to be done out of excess available in new mortgage written for $18,000 over existing obligation, about $15,000.

We hope this clarifies this particular problem, and thank you for taking the time to digest it.

Virginia Nevin