

**Pine Lake Preparatory
Board of Directors
Executive Session Meeting Minutes**

Meeting Date: November 17, 2010

Location: PLP Upper School

Directors Present: Antoinette Ellison, Michelle Adams, John Moloney, Evelyn Gerdes, Anne McIntosh, Bill Neal, Julie Flaherty,

Directors Absent: Chris Perri

Administrative Team: Kate Alice Dunaway, Kari Jolly

Guests: William Pope, Martha Peed, Tom Williams, Brandon Lewis.

- Meeting called to order at 6:00 p.m. by Dr. Ellison.
- Tom Williams distributes to the board the current budget report and updates the board on the practices that are followed with preparing a budget and reviews revenue and expenditures. He also offers projections for moving in 2010-2011 into 2011-2012. Q&A discussion ensues.
- Mr. Pope updates the board on the proposed resolution for the purchase of the campus. In essence, an approval of the resolution is an approval to move forward to borrow money through the bond transaction and for members of the leadership to execute such documents as may be required to consummate the purchase. He opens the floor to questions from the board. Twan reminds the members that questions raised at the last meeting have been distributed and also that she has spoken directly with Pete Lash regarding any concession on the purchase price. Mr. Lash has affirmed in writing that the purchase price remains firm; however he has agreed to work with us on some level of seller financing if needed. Bill clarifies what powers the resolutions convey for Anne. Anne inquires of Bill's opinion on the documents; he affirms they are appropriate and proper for moving forward should the board decide to do so. Kate Alice affirms that Mr. Lash has offered to defer \$100,000 of the purchase price if requested. John requests confirmation that Beacon will also be providing their pledge payment of \$20,000; Kate Alice and Twan will affirm. No other questions for Mr. Pope
- John inquires of the repercussions if the school doesn't meet its debt coverage ratio; Brandon shares his conversation with Jon Swift and affirms that Regions does not intend to take Draconian action in the event of a minor default, however Regions will not provide terms in writing in this regard given the extremely variable possibilities. Discussion ensues.
- Brandon reviews the previously distributed Resolution which incorporates every action contemplated with this transaction. Each point is discussed and reviewed; Brandon also polls the board on issues that might materially affect the school or this transaction; and the board members were asked whether they had any knowledge of pending or threatened litigation. Responses are in the negative.
- Chris Perri is welcomed to the meeting. Chris is here to tender his resignation as a member of the board, effective immediately. He has accepted a new position with another company and will be moving to that group in a few weeks. He will no longer be affiliated with Beacon Partners; Pete Lash will be our liaison from this point forward. He wishes the Board well in their efforts to move forward with creating a wonderful school and expresses appreciation for his experiences. He plans to be an active parent and member of the PLP community. Chris also presents a check for the final two payments of Beacon's pledge to the ACC project. Chris departs.
- A tentative meeting is scheduled for December 8 at 6:00 in the event discussion is needed; the meeting will be cancelled if it becomes unnecessary.
- Motion to adopt the resolution as presented by Evelyn; seconded by Michelle; six in favor; one dissent; motion carried.

- John clarifies that Kate Alice is in favor of the campus purchase; she affirms.
- John also clarifies intent to move forward with ACC construction as soon as possible; she affirms; reaching 50% in received pledges is critical to that process, as is the receipt of the funding from the Town of Mooresville.
- Evelyn suggests that board conveying this information to the constituents is an important consideration; Twan affirms that discussion has taken place and will continue to in preparation for sharing this information in cooperation with the Kaleidoscope Foundation leadership.
- Bill moves to take the meeting into open session. Unanimous approval; motion carried. Twan departs.
- Business is concluded; meeting is adjourned at 8:02 p.m.