

PLP BOD CLOSED Meeting Minutes- Date: Aug 25, 2010

PLP BOD Present: John Moloney, Anne McIntosh, Chris Perri, Twan Ellison, Bill Neal, Evelyn Gerdes, Julie Flaherty, Michelle Adams

Absent: None

PLP Administration: Kate Alice Dunaway, Amy Sevic

Location: Upper School Seminar Room

Four issues related to shared land/building, student/family concern, real estate/banking issues, and new building construction were discussed:

(1) Shared Use of ACC with Town of Mooresville draft agreement. Amy Sevic has been working with a Committee that will be presenting the agreement to the Town of Mooresville at their Sept board meeting. Bill Pope has reviewed the agreement. Short facts:

- 15 year agreement
- PLP uses Town of Mooresville Parks and Rec facilities free for 15 years while Town of Mooresville uses ACC (when we are not using ACC) for \$550,000 paid out in one lump sum for their Basketball and Wrestling programs.
- PLP will save approx \$20,000 not having to pay for Mooresville Parks and Rec facilities.
- Amy clarified that we would be responsible for our concessions and Town of Mooresville would be responsible for their concessions. Kate Alice recommended that PLP be responsible for both PLP and Town of Mooresville concessions to use as fundraisers.
- No listing of specific parks in case parks are added or closed; Bill Pope recommended we leave general and say Town of Mooresville Parks and Recreation facilities.
- John asks if we are legally liable for anything if anyone gets hurt while Town of Mooresville is using ACC; Amy answered that Bill Pope said we are covered if one of theirs gets hurt on our campus.
- Chris P said we need to be careful about 15 year lease as we only have 13 more years left on the Beacon Partner PLP campus lease. Amy said she was not aware and would make that correction.
- Anne asked about subletting/subleasing clause; Amy said was there but we could not locate. Amy said she would verify and have that clause put back into agreement that Town of Mooresville cannot rent the ACC to others.
- Chris made motion we approve current draft, subject to our review with revisions as Amy Sevic and Bill Pope work to clean up. We will approve final version through email. Evelyn seconds. Unanimous vote approved. Twan asked that any additional thoughts on the Agreement be sent to her and she will communicate to Amy Sevic.

(2) Dow family inquiry- During Open Session, a parent asked for clarification of a PE curriculum item. Twan asked Amy if she would like to elaborate; Amy said that research has been done and that PLP was trying a new strategy that will lead to more PE hours and enable effective use of limited classroom space. Amy said that there would actually be 250 more hours of PE for

students; Amy also recommended that students have 30 minutes of recess/lunch in which they can move and that all APs include a lot of movement within their curriculum throughout the day so our students are not stationary. There are 12 weeks of PE, then rotate to 12 weeks of Drama, and 12 weeks of Art. Amy will be in touch with Dow family by telephone and will follow up with email to Twan to close out issue.

- (3) Update on financing with BB&T and Regions. Kate Alice said Charlie with BB&T has sent quick updates that we are looking good. David with Regions said this would be the largest charter school project ever. If we want to take advantage of meeting the Nov deadline, we would need to submit our paperwork and commitment by Sept 10th. Our Board needs to decide by first of Sept (cannot wait until Sept 22 board meeting). Twan asked for emergency session meeting dates. Board decided on Tues., 31 August at 6pm at the Houston House. Board asked KA to put on School Calendar for transparency. Board is asked to look at hard numbers, think, and determine if we can finally afford the loan, in addition to current loans and economy. BB&T terms appear to be \$18.5 million, 20 year loan, at 4.75 percent interest.
- (4) Chris with Beacon Partners shares update on ACC design and concludes with scenarios of how PLP might purchase campus. PLP is entering into the 3rd of three options to purchase the campus under the current agreement. We would need to exercise this option by Aug 31 if we are to do so. Otherwise, the campus purchase options expire and we move into escalated rent payments and continue with property tax liabilities.

The gym has conference facilities, classrooms and abilities to sub-divide into additional classrooms, locker rooms and offices. Have 19.675 square feet at approx \$3.5 million. We would get pre-construction bids and see about pre-qualifications to five or more general contractors. Chris said if you know of any contractors who would want top out in a bid to please let him know.

NOTE: Bill Neal left at 8:15 pm

Purchase Campus and Build ACC: The selling price is \$22.5 million, as per agreement already signed and in place. Bank will only loan approx \$18.5 million, what the campus is appraising at today. That is a \$4.5 million (there is a PLP equity of \$2.5 million with ACC) gap. The 80 investors who went in on the PLP campus originally have agreed to provide a loan to PLP in addition to the Bank loan (whether BB&T, Regions, or another bank) with terms being that loan be paid in five years at 12 percent interest. Chris Perri says that is one scenario of how PLP could exercise the third option (and last option on this agreement) but not sure we are comfortable with this level of debt, given our other debts we are servicing.

NOTE: Chris Perri left, as Beacon Partner representative so Board could discuss. At this time: Twan, Evelyn, and Anne are only voting board members- no quorum. No votes. No decisions. Board members were to think and re-convene on Tues., 31 Aug at 6 pm.

Meeting ended at approximately 8:45 pm.

Respectfully submitted,

Dr. Anne McIntosh
PLP Board of Directors - Secretary