

**Pulaski Charter Schools, Inc., d/b/a Academics Plus Charter School
Special Meeting of the Board of Trustees, September 28, 2008**

Meeting called to order 6:02 p.m.

Members Present: Sweere, Robinson, Ribich, Keesee, Loken Henson

Members not present due to prior engagements: Branton, Farrar, and Scheuerman

1. Doug Wilson with the Insurance Center, Inc represented the school as an Insurance Consultant and has a service/broker agreement with APCS for \$2,000.00. Workers compensation renewed in May 2008 and other coverage's come up October 1, 2008. The amount for the insurance is based on payroll APCS planned payroll for the 08" 09" school year inclusive of a \$50,000.00 contingency fund is \$1,567,772.00 and that would bring this policy somewhere in the vicinity of \$8,000.00.from \$4,378.00. APCS is looking at other Insurance companies that would save money. Mr. Wilson is shopping other companies for APCS and will get with Mr. Honea regarding his findings. Mr. Ribich brought up the D&O Coverage (Directors and Officers) and it is needed for all members of the board and was unanimous to have this coverage. The information will be brought back in front of the board for a final decision.
2. Assignment of Purchase Option to Maumelle Foundation for Education. The land to be purchased from the City to the Maumelle Foundation for Education, Inc. (the "Foundation"). Resolution passes 9/25/08
3. Adoption of Lease with Maumelle Foundation for Education. Arkansas Commercial Lease Agreement This is a document prepared to be a lease between our school and the Maumelle Foundation for Education and we approve of the assignment of our options our school has under the two leases we currently operate under with the public facilities board, one lease for the Fuel bldg. and we have nearly an identical lease for the Yellow bldg. and the properties underneath we currently have the option to purchase the Yellow bldg. and enter into a long term \$1.00 a year lease with the facilities board for 99 years if we paid the debt due on the property. On the Fuel bldg. lease we have the option to purchase the two buildings on the Fuel bldg. property that is the grey modular and the strip mall and the underline real-estate for the amount that's owed on the debt the facilities board took to purchase that property. This allows us to exercise that portion of the option to transfer that option to the "Foundation" that our board authorizes the creation of. Robinson made a motion to adopt the resolution and to enter into the new lease with the "Foundation". Ribich second the motion and added for the record for part of the discussion as component of this resolution of assignment # 2 is for the commercial lease that's the consideration # 1 is for obtaining financial resources, I have a draft copy of the loan document between 1st Security Bank and the Foundation for Education I would like to attach for the

official record so that we have a copy of the draft document this is essentially what will be closed on at closing barring any major changes.

4. Maumelle Foundation for Education is a public charity and is properly set up with the Secretary of State, it's a Corporation in good standing and has applied for the 501 C-3 status and every indication is that it's going to be granted. The foundation has the financing, its going to buy the properties lease it to the school and for knowledge it can do other things to benefit the school. Its purpose is to benefit the school, it gives us tremendous flexibility and it can become the fundraising arm of the school, public relations and all those kinds of things for the school that the school can't do because it's running the school and we hope to have our own staff for the foundation. We cannot finance any improvements to our facilities through the school unless we went down the same road that we did when this building was built and the fuel building was purchased which is going through the facilities board. What this basically does is it changes the landscape where we have a foundation and its soul purpose is to support the school and so we don't deal with the facilities board anymore. It is basically real property ownership for the school, capitol and improvement funding and financing for the school. It's also important to recognize one of the terms in this lease is negative for the school compared to what we had and that is page 1 paragraph 2 last sentence Section A, Tenant shall also pay to Landlord a "Security Deposit" in the amount of fifty thousand dollars (\$50,000.00). That was put into the lease by the person who wrote it to put some capitol in place for the foundation. If you look at paragraph 19 it provides the terms of what's done with that money, in essence it's there in case the school doesn't pay rent, or doesn't do repairs it needs done, if it vacates and hasn't paid, all those kind of things. All those in favor of adoption this resolution signify by saying I, all stated I, any opposed, none, motioned passed, dated September 25, 2008 all board members present signed.
5. Pre-Conditioned for the funding by First Security Bank is that the foundation and the School APCS move their deposits to their bank, Mr. Sweere entertained the motion to authorize Mr. Honea to work out the deposit relationship with First Security Bank Mr. Ribich made the motion for Mr. Honea to move the money to First Security Bank Ms. Keesee Second the motion, open for discussion? Mr. Robinson asked if this request by the bank to verify the funds periodically, Mr. Sweere said part of the loan is that we'll bank with them. Mr. Sweere states they make money on their accounts and they are giving us 1.2 million dollars. Mr. Sweere said he thinks it's the right thing to do to consider moving the money over there if we get a good deal; I don't want to do anything that's going to cost us money. Mr. Honea said he doesn't having a problem moving the money, or it staying where it is, he wants to do what's best for the school. If they give APCS a better rate or optimal rate comparing to what we have with our funds to move it over there it doesn't bother Mr. Honea as long as we don't go backwards. Mr. Ribich has a term sheet from First Security Bank to Maumelle Foundation for Education and there are a number of terms in here but one of the terms is as part of this proposal we request a deposit relationship for Maumelle Foundation for

Education Inc., and Academics Plus Charter. Mr. Sweere so we have to open an account over there and give them every opportunity for our business. Mr. Honea states he can open an account over there and give them all the money and if they don't treat us right I can take it all out and leave a dollar in. Mr. Honea states he wants to do what's best for the school. Mr. Sweere states that we have a good relationship with Twin City bank and they have been good to the school and personally we don't want to walk away from them, we may need them. Mr. Honea will look at it and come back with a recommendation. Mr. Ribich said he would like to see what ever account he opens over their that the rent payments would automatically be drafted from the account. Mr. Honea agreed. Mr. Sweere said the motion on the floor is to move the operational account would you like for us to vote on it, amend it or withdrawal it, Mr. Ribich withdrew the motion, would the second like to concur with that withdrawal, Ms. Keesee withdrew her second the motion is withdrawn Mr. Sweere will entertain the motions. Mr. Sweere entertains a new motion; Mr. Ribich makes a motion to have Mr. Honea get with First Security Bank to do business. Mrs. Henson second no discussion motion passed.

6. Executive Session (Personnel Matter) took no action in executive session is there any motion, Mr. Ribich made a motion to be adjourned Mr. Robinson second the motion, motioned passed.

With no further business the meeting was adjourned.