

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF
NORTHSTAR ACADEMIES, INC.

April 21, 2020

A meeting of the Governance Board of North Star Academies, Inc. was held on Tuesday, April 21, 2020 at 4:30 p.m. This meeting was scheduled previously to occur at Palm Beach Preparatory Charter Academy, 3525 Congress Ave, Palm Springs, FL 33461. However, in light of Executive Order 20-69 (Emergency Management- COVID-19 - Local Government Public Meetings), dated March 20, 2020, which allows the Governance Board to “utilize communications media technology, such as telephonic and video conferencing,” this meeting will be conducted by the Governance Board via electronic communication and will be live-streamed on Zoom. All interested members of the public are invited to attend using the following instructions:

The following Board members were present *via* Zoom video conference: Guillermo Aragon, Board Chairman, Ira Paul and Beth Adelman, Members.

Also present *via* Zoom video conference: Thom Jackson, President & CEO, EdisonLearning; Dr. Sherrell Hobbs, SVP Achievement Operations and Results, EdisonLearning; Ken Edwards, CFO EdisonLearning; Michelle Schmitt, Senior Controller, EdisonLearning; Jennifer Anglin, Director of Career & Technical Education/ Grants; Jeff Wood, Director, Tripp Scott LLP (serving as Board Counsel); Thomas Sternberg, Tripp Scott LLP; Bert Newsome, Managing Director, BB&T; Emena Kobiljar, Sr. Vice President, BB&T; Terrance Narinesingh, Principal at Sunrise High School; Ralph Arza, Principal, Arza and Associates; Luis Sullivan, Assistant to Mr. Ralph Arza; Leonard Posey, Public Guest; Pamela McCoy, President and Director of Compliance, Charter Service Solutions of Florida, Inc. (serving as the Board Liaison).

The meeting was called to order at 4:39pm

The meeting was chaired by Mr. Aragon. Ms. McCoy, Board Liaison, recorded the minutes. Mr. Aragon brought the meeting to order *via* a motion by Mr. Paul and a second by Ms. Adelman, noting that the meeting had been duly noticed and that a quorum of the Governing Board was present.

There was no public input.

The next order of business was approval of the consent agenda. The meeting minutes from March 17, 2020, were approved *via* motion by Mr. Paul, and Ms. Adelman seconded the motion. The vote carried unanimously.

Governance Matters was the next order of business. Dr. Hobbs read the titles of the documents that Mr. Aragon signed prior to the meeting. The following documents were sent in the packet and were to be ratified:

Sunrise:

- Renewal Agreement and notarized signature page

CG Bethel:

- Certified Public Accountant information document

Chambers:

- Certified Public Accountant information document

Hillsborough West:

- Charter Agreement and notarized signature page

Mr. Paul made a motion to approve the ratification items and Ms. Adelman seconded the motion. The vote carried unanimously.

The next item under Governance Matters was the Bond Financing update. Mr. Newsome explained that the deal and the closing date are driven by today's market. Mr. Newsome told the Board that they are speaking with investors daily to be as informed as they possibly can be. Mr. Newsome said they will be updating the financing calendar and will get indicative pricing to the Aragon, Mr. Jackson and Mr. Edwards. Mr. Aragon questioned the closing date of June 12, 2020. Mr. Newsome explained that a single investor deal is much more attractive right now and will take approximately 3 weeks less than a deal involving multiple investors. Mr. Paul made the motion to approve BB&T as the new underwriter. Ms. Adelman seconded the motion. The vote carried unanimously.

Mr. Wood presented a diagram of the Bond Structure. He and Ms. Bower gave a detailed explanation of the proposed structure to the Board. They explained that the reason for the recommended structure was to have one central place to collect aggregate the collateral. The actual borrower would be NorthStar Holdings, LLC, a non-profit holding company, who would be the landlord to NorthStar Academies, Inc. NorthStar Holdings also would hold the software license and would sublicense it through NorthStar Academies to the NorthStar Academies schools. Mr. Wood explained that a vote by the Board was not necessary at the time of the Board meeting, but would become necessary at the time NorthStar Academies received a term sheet or other firm indication of interest from an investor.

Mrs. Anglin requested that the Board approve the Official Statement Letters for the CSP Grant. The letters state that the Board approved the By-Laws and the Governance Manual for the 5 new schools at the March 17, 2020 meeting. Ms. Adelman made the motion to allow Mr. Aragon to sign the letters. Mr. Paul seconded the motion and the vote carried unanimously.

The final item under Governance Matters was the nomination of the potential new board member Mr. Leonard Posey. Ms. Adelman reiterated Mr. Posey's accomplishments as listed in his biography. Ms. Adelman made the motion to approve Mr. Posey as a new member of the Board. Mr. Paul seconded the motion and the vote carried unanimously.

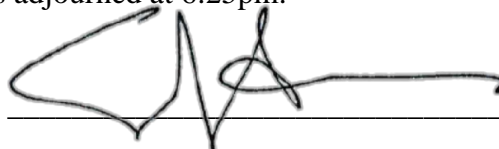
Mr. Arza gave the members a legislative update, which included the following information: next year's budget, CSP waiver to be signed to allow devices and internet connections to be paid with CSP monies, and the possible amendments to charters due to the difference in how school will be structured in the next school year. He also said he will be meeting with the Palm Beach County to discuss an MOU regarding projected enrollment.

Dr. Hobbs presented a detailed Achievement Report for the existing and new schools. First she discussed the Virtual Learning Plan that the schools are now implementing as it relates to attendance and retention tracking, virtual instructional delivery, specialized student services (ESE & ELL), staff training, communication, graduation and technology. Dr. Hobbs then gave a detailed presentation for each of the existing schools including enrollment, mental health services, parent communication, staff training, and virtual rewards for students. She highlighted that Palm Beach Preparatory Charter Academy had 21 out of 26 students pass the ACT. She gave accolades to Mrs. Allen and her team. Mr. Jackson recognized Dr. Hobbs for her IPC Program and guidance. Dr. Hobbs let the Board know that the CSP Grant has been approved. She then presented a real time video of the construction of the Pinellas school. Mr. Aragon asked if they were going to have an actual groundbreaking ceremony even though they had a virtual ceremony. Mr. Jackson said they would not, but if allowable there would be a ribbon cutting ceremony.

Mr. Edwards gave a detailed explanation of the Federal Stimulus Act Impact – Paycheck Protection Plan (“PPP”). Mr. Edwards explained that PPP funding was available to both for-profit and non-profit businesses that were hardest hit and struggling as a result of the COVID-19 pandemic. Mr. Edwards explained that NorthStar Academies, as a non-profit corporation, is eligible for as much as \$1,080,000 at approximately 1% interest to use as working capital towards its payroll and payroll-related expenses, and that, as long as the loan is used for its intended purpose, the loan should be forgiving. Mr. Edwards indicated that the Board should determine whether it wants EdisonLearning to proceed. Mr. Aragon noted that, while certain of the schools had some reserves, it is clear that those reserves should not be depleted for current expenses, because they may be required to cover expenses related to the Board’s new schools, where appropriate, and to offset any enrollment downturn or any other unanticipated school expenses not covered by state or federal funding (such as 2020-2021 salary increases for teachers and principals) in the event that the Florida state legislature reduces funding for the 2020 -2021 school year. He asked that the Board approve the filing of application for the stimulus funds. Mr. Paul made the motion to approve filing the stimulus funds loan application. Ms. Adelman seconded the motion. The vote carried unanimously.

Ms. Schmitt reviewed the financial reports for each school, noting that each Board member had received the documents in advance with their Board packages. There were no questions or comments. Ms. Adelman motioned to accept the financials as presented. Mr. Paul seconded, and the vote carried unanimously.

There being no further business, the meeting was adjourned at 6:25pm.

By: 

Title: Governing Board Chairman