

MINUTES OF MEETING OF BOARD OF DIRECTORS

OF

NEW ALTERNATIVE EDUCATION HIGH SCHOOL OF OSCEOLA COUNTY D/B/A MAIN STREET HIGH SCHOOL

A meeting of the Board of Directors of New Alternative Education High School of Osceola County, Inc. d/b/a Main Street High School, a Florida not for profit corporation, (the "School") was held via electronic media communications on April 24, 2021 at 10:00AM.

The following directors were present at the meeting: Charles Barnett, Gary Smith, Belinda Kirkegard, and Jim MacGregor. Also present was Jeffrey Wood and Thomas Sternberg of Tripp Scott, P.A. and Ralph Arza.

The meeting was called to Order at 10:02 A.M.

A quorum was present and established.

Mr. Barnett chaired the meeting. Thomas Sternberg recorded the minutes. The first and only order of business was the discussion and vote on the merger with NorthStar Academies, Inc.

Mr. Barnett requested Mr. Wood, attorney for NorthStar Academies, Inc. present the sole purpose of the meeting which is to discuss the merger with NorthStar Academies, Inc. As was noted, the agenda item of merger was left at the last meeting, including questions of who would be a board member going forward, the issue of comingling of assets, and the need to complete the merger, if it should move forward, within next several weeks to go into next fiscal year and get amendments with the relevant charter contracts. Mr. Wood then opened the floor to questions and discussions.

The board of directors then began discussion and questions. Mr. Smith stated that he did not remember seeing anything in writing to answer questions from the last meeting. Mr. Wood responded that in regards to documentation, NorthStar Academies and Mr. Wood would prepare and present a plan of merger, set forth the rationale, the basis for it, the board support and vote form this meeting, the surviving entity (NorthStar Academies, Inc.) and who would be the future board members carrying forward.

Mr. Smith then asked the following questions: (1) would the entire current board of New Alternative Education High School of Osceola County, Inc. be transitioned to NorthStar? (2) If so, are there individual board meetings or one large annual board meeting? (3) What synergies or economies of scale would this merger provide for current Main Street high school, including whether the current liquid assets of Main Street High School would stay segregated from any other funds managed by NorthStar Academies, Inc.

Mr. Wood provided that pursuant to state law, one school cannot send monies out of the district to pay for a school in another district. Mr. Wood provided that in past mergers, schools had to agree that funding which comes in from one district must stay in that district.

Ms. Kirkegard then requested that regardless of what state statute dictates, can Main Street and NorthStar Academies, Inc. make an agreement in the merger documents that the funds must stay in district?

Mr. Wood then responded to the question regarding the number of board members transitioning to the NorthStar Academies, Inc. board. Mr. Wood informed the Board that right now there are 5 board members on NorthStar, and 5-6 on Main Street. Mr. Wood advised that to have a board of 11 would not be wise. NorthStar would want Main Street to determine one or two members to serve as voting member of the NorthStar Academies, Inc. board. Mr. Wood stated that as board meetings, each school is required to have two board meetings in the district in which the school is located and with past mergers, there would typically be one in January and June.

Mr. Ralph Arza spoke to the board and provided that the board can declare a physical location and have board members attend via electronic media communications, where there will not need to be board members traveling to each meeting because only two people need to be statutorily present per Florida Statute. Mr. Wood agreed with this analysis.

Mr. Smith opined that: two board meetings per year does not seem sufficient. Mr. Smith noted that the Main Street Board meet four times a year and there are things that happen which require emergency meetings. With everything rapidly changing, Mr. Smith does not see where two board meetings a year would be sufficient. The Board Chair responded that what Mr. Wood is saying is that there is just a minimum by state statute. Mr. Wood agreed that there should be more than two and that he was just referring to the statutory minimum and each of the different campuses would have two physical meetings.

Mr. Smith asked Mr. Wood, in his opinion and prior history, what synergies or economies of scale, or advantage, would this give to Main Street from political action. Mr. Wood responded that there is a lot of power involved with a board that serves multiple districts and multiple schools rather than a one-off school. There is also collaboration among principals, citing collaboration on responding to COVID last year, the savings on accounting pieces for audits, and more. Mr. Arza responded most charters that are part of a bigger unit tend to outperform academically and financially the single charters. It is more about the support, sharing of knowledge, experiences people bring.

Mr. MacGregor asked whether the School is still able to have autonomy over the micro levels, such as graduation, proms, special situations that involve seemingly unique circumstances. how is that handled on the micro level?

Mr. Wood responded that to Mr. MacGregor that the school would still have its own autonomy. Although there would be academic continuity, each school is very unique. But it helps that a there can be a sharing of knowledge on handling those issues.

Mr. Smith discussed the board structure and stated that the current board is very active. If out of the current five only two can be nominate to serve on the NorthStar Academies, Inc. board, how would the non-voting members and be communicated to and how would they relay positions to the voting members without tripping over sunshine laws? Mr. Wood responded that whether a member is voting or non-voting, each director could get the same information, and the sunshine law still applies the same. Mr. Smith asked for that language to be written into a merger document. Ms. Kirkegard then asks about ex-officio directors, directors which are legitimate but they do not vote and she would also like to incorporate that option into a merger. Ms. Kirkegard asked Mr. Wood how typical it is for board's to have ex officio member and how long the serve.

Mr. Wood responded that it is dynamic and is philosophical. Some boards embrace term limits. Others do not and like continuity. It will ultimately be a board decision. Some districts want staggered terms. This can all be built into a merger document. Mr. Wood recommends staying away from term limits but staggered terms are a good idea.

After the discussion, Mr. MacGregor then asks for the next step in the process? Mr. Wood stated that he recommends a motion with contingent aspects that the Main Street Board wants to see (such as comingling of funds, staggered terms, non-voting members, surviving board members, etc.). The Board chair suggests that the two members who should serve on the NorthStar Board should be residents of Osceola county. This is Mr. Smith and Mr. MacGregor.

Mr. Kirkegard makes a motion to move forward with the merger and pooling the resources necessary to merge New Alternatives Education Main Street High School with NorthStar academies governance board. Mr. Smith adds with the provision that two board members (Mr. Smith and Mr. MacGregor) be appointed, that the plan of merger have the funds segregated, and having ex-officio members as non-transferring.

Mr. Smith seconds Ms. Kirkegard's motion.

Roll call is had and the motion passes unanimously.

Mr. Barnett asks Mr. Wood about the regular board meeting of Main Street on June 10th and whether the current Main Street Board needs something before then? Mr. Wood provided that it can be approved at the meeting and Mr. Wood will send final documents in advance.

Ms. Kirkegard provided that she reviewed the academic and financial documents for the other schools and agrees this is a great move for Main Street.

There being no further business, Meeting is adjourned at 10:43.