

**Edge for Educational Excellence, Inc.  
Special Meeting of the Board of Directors**

**Minutes: March 5, 2015**

**951 Moseley Avenue, Palatka FL 32177**

**Call to Order:** Chairperson Pat Freeman called meeting to order at 2:05 P.M.

**Attendance:** Present: Pat Freeman, John Nelson and Cheryl (Boo) Batteiger. Terry Hadaway and Grace Thomas absences were excused.

Ms. Freeman stated that a quorum was present.

Ms. Freeman introduced Ed Hedstrom, attorney with Douglas and Hedstrom, who have been retained by Edge to assist with the sale of the College Road Property and Lease Agreement with Charter School Capital.

**New Business:**

Mr. Hedstrom led the review of the documents and discussion. He commented that he will speak with Cindy Caggiano of CSC to obtain clarification on some areas of the agreements. Mr. Hedstrom commented that both documents were pretty standard documents.

**A. Discussion/Action on Purchase Documents of the College Road Property to Charter School Capital.**

1. Need to determine who CSC will engage to serve as the escrow agent.
2. Page 10 (12) – correction needed since the building has never been used as a school.
3. Page 10 (13) – correction needed with reference to “City of Cincinnati”.
4. Page 13 (5) - needs clarification. Not sure if it applies.
5. Page 20 (KK) – Needs clarification regarding assignment of the lease.
6. Page 20 (LL) - Needs clarification regarding the assignment of “contract”.
7. Page 32 – Exhibit I – Question need/meaning of an assignment of lease and consistency in language, i.e. lease/lessor vs assignee/assignor.
8. Page 32 – Exhibit J – Question need/meaning of an assignment of lease and consistency in language, i.e. lease/lessor vs assignee/assignor.
9. Ms. Freeman stated that the required Indemnification Clause needs to be added.

**A. Discussion/Action on Lease Agreement with Charter School Capital**

1. Page 1 Opening paragraph: Need clarification on reference to agreement with "AEP Charter"  
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2. Page 1 Section 1.06 – Discussed calculation of base rent. Ms. Freeman mentioned that it was based on the anticipated enrollment for the 2015-2016 school year at 165 students. Ms. Batteiger asked when the Lease Payment will begin. Ms. Freeman will get clarification.
3. Page 4 Section 4.02 – Mr. Hedstrom pointed out that this is a triple net lease meaning that Edge will be responsible for all expenses.  
Edge will need to establish a separate account to pay the Landlord.
4. Page 10 Section 6.01 (d) FF&E – Edge will pay a separate payment of \$1,000 per month ending June of 2018
5. Page 14 Section 9.02 Property Taxes – Mr. Hedstrom stated that while Edge is a 50©3 and exempt from taxes, he will need to determine if that exemption applies to those taxes that may be due by the Landlord. Edge would be responsible for taxes owed by the Landlord.
6. Page 15 Section 10.01 (c ) – No Merger – Permission will be needed to sublease any portion of the building.
7. Page 27 Section 14 – Edge does have an opportunity to purchase the building after 3 years or 5 years.
8. Page C-2 Exhibit C Insurance Requirements – Ms. Freeman will discuss the coverage requirements with our carrier. She mentioned that efforts to obtain D&O Liability in the past were exorbitant and limited availability.
9. Ms. Freeman stated that the required Indemnification Clause needs to be added.
10. Ms. Batteiger asked what would happen at the end of the Lease (which is about 35 years. Mr. Hedstrom stated that any number of things could happen, i.e., CSC could sell the building or enter into a new Lease.

Following discussion, Mr. Nelson made a motion to approve both Draft Agreements in principle, recognizing that clarifications and/or changes may be needed and blanks need to be filled in. The motion was seconded by Ms. Batteiger and carried unanimously by those present.

Mr. Hedstrom will contact Ms. Caggiano regarding the clarifications and questions.

**Adjournment:** With no further business, a motion to adjourn the meeting was made by Mr. Nelson and seconded by Ms. Freeman. All members of the board voted "Yes."

The next meeting is scheduled for Thursday, March 19, 2015 at 3pm at Putnam EDGE High School.

Respectfully submitted,

Pat Freeman, President