

PEPIN ACADEMIES



BOARD OF DIRECTORS MEETING

Pepin Distributing Company
4121 N. 50th Street
Tampa, FL 33610

OCTOBER 8, 2015

MINUTES

CALL TO ORDER: 5:30 P.M.

Board Members In Attendance:

Jeff Skowronek - Present
Scott Strepina - Present
Brigitte Shaw – Present (via telephone)
Laurel Lee Moore - Present
Sandra Setin - Present
Shelley Sharp - Absent
Stacy Hahn - Present
Kelsey Lehtomaa – Present (via telephone)
Brandon Selph - Absent
Chris Denome – Present (via telephone)
Melissa Ortiz – Present
Amanda Shannon - Absent

**Discussion &
Action:**

Jeff: Board meeting was called to discuss and review of Riverview Expansion Options. For those who could not attend physically a vote will need to be taken for those who are physically attending to allow board members to call in.

Motion: To allow board members to call in via telephone to equate for physical presence.

	All in favor – unanimous
Discussion:	<p>Craig Butz (Principal) Presented historical time-line with regards to Riverview expansion project and discussed estimated project costs for two options:</p> <ul style="list-style-type: none"> - Build-to-suit 10550 Johanna Ave, Riverview(option A) - Camden property existing structure (option B) <p>Jeff: Asked Natalie King to discuss status and conversations with developer regarding option A.</p> <p>Natalie:</p> <ul style="list-style-type: none"> - Presented copies of emails with developer with regards to questions board had with additional 2 million dollar project cost increase. Did not receive satisfactory response in regards to reason for increase. <p>Laurel:</p> <ul style="list-style-type: none"> - No attorney would sign agreements that have been presented by developer to date as to many questions. - On previous board meeting for which developer was present. Board questioned developer to present detail in regards to project cost and more completed lease agreement as in current form board would not sign or agree to. <p>Jeff:</p> <ul style="list-style-type: none"> - In subsequent meeting with developer and expansion committee created by board. Developer presented details of project of which I asked directly is this the maximum price of project and reply was yes. In email that developer sent explaining cost increase there were a number of line items that were cause for project increase that were included in original project cost as an included item. <p>Laurel:</p> <ul style="list-style-type: none"> - I have lost confidence in what developer can provide as estimation of project. We would expect some variances in cost but not a 2 million dollar increase. <p>Stacy:</p> <ul style="list-style-type: none"> - Agreed these were issues and concerns that I asked in prior meeting with developer. <p>Laurel:</p> <ul style="list-style-type: none"> - I move motion to cease pursuing option A due to original Build to Suit cost increase as no longer affordable project. <p>Motion passed as all in favor (unanimous)</p>

<p>Discussion:</p>	<p>Jeff:</p> <ul style="list-style-type: none"> - I would like to move discussion to what I call option B further know as Camden property. <p>Laurel:</p> <ul style="list-style-type: none"> - Craig can you explain process on how option B came about. <p>Craig:</p> <ul style="list-style-type: none"> - Approximately 10 months ago Marcos and I (prior Riverview campus director) looked at several properties for a 1 year lease so as to bridge gap from current facility to perm facility. No one was interested in 1 year lease but did take notice of Camden property which was one of facilities that we looked at. Once option A was being pursued option b was pushed aside as an option. On way back from Riverview visit I stopped to see if option B was still available (this occurred after issues began arising with Option A). At that time I began initial conversations with agent representing current owners as to property availability with regards to lease or sale of property. - Purchase price is 6.2 million and building size is 60,000 sq. ft. of which Pepin would occupy 40,000 sq. ft. as other 20,000 sq. ft. is currently leased by Walgreen. Pepin if purchased would be landlord to tenant. <p>Stacy:</p> <ul style="list-style-type: none"> - Could school own property that make it a landlord. <p>Craig:</p> <ul style="list-style-type: none"> - Spoke with Jenna @ district office and no issue. - I would like to pursue this option by asking the board to approve letter of intent to purchase this property. Charlie has been in discussion with brokers in regards to issuance of public bonds to finance project. <p>Laurel:</p> <ul style="list-style-type: none"> - How does bond process work and what is likelihood of being able to obtain financing. <p>Charlie:</p> <ul style="list-style-type: none"> - Finance committee and myself have met with two brokers and both have stated that they are confident based upon current financial record of school that bond financing would be obtainable. Financing would take approximately 75 to 90 days but is largely dependent upon us to provide certain information such as: <ol style="list-style-type: none"> 1.) Assurance from county that school is an acceptable use of facility. 2.) Maximum guaranteed contract with regards to purchase and build-out. 3.) Various financial information.
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	<p>Providing this information would move in line with purchase of building.</p> <p>Laurel:</p> <ul style="list-style-type: none">- Has Randy Sterns reviewed letter of intent? <p>Craig:</p> <ul style="list-style-type: none">- Yes he had made a couple of comments that he would like to see in letter of intent such as language added to include 30k cap on costs associated with obtaining a special use permit. <p>Melissa:</p> <ul style="list-style-type: none">- I move to approve letter of intent with inclusion of the change to cap. Permitting costs at \$30,000 and support \$250,000 deposit upon execution of sales agreement. <p>Motion passed as all in favor (unanimous)</p>
	<p>ADJOURNMENT: 7:05 p.m.</p> <p>Laurel moved to adjourn the meeting 2nd – Stacy Hahn</p>
	<p>The Next Meeting of Pepin Academies Governing Board will be at 5:30 p.m. on</p> <p>November 30, 2015 <u>Pepin Distributing Company:</u> 4121 N. 50th Street, Tampa, Florida 33610</p>