

MI Connection Board of Directors
Open Meeting
June 25, 2009

On June 25, 2009 the Board of Directors of MI-Connection held a meeting beginning at 7:30 am in the MI-Connection Board Room, 420 S. Academy Street, Mooresville, NC.

Present in person were Chairman Evan Webster and Board members, John Kasberger, Ron Steen, and Ken Essex; and also present by telephone were Board members, David Pendleton and Steve Miller. Present in person were Wes Rosenbaum, James (Jr.) Miller, Paul Reilly, Nola Perkins, Mooresville Commissioner Frank Rader, and members of the press. Kyle Hollifield and Stacey Bright attended by video conferencing. MIC's counsel, Nick Miller and Gail Karish, attended by telephone.

The meeting was called to order by Evan Webster

James Miller presented the Manager's Report. Call stat report was reviewed. Trouble calls are down. 55.5% of trouble calls were resolved in a 24 hour period, and that continues to improve. The average Customer Service wait time in May was 45 seconds. Customer Service Survey showed an overall satisfaction rating of 4.87 with the goal of 5.

Regarding the BVU Operating Agreement –BVU has agreed to reduce its management fees for operating the system for July 1, 2009 until June 30, 2010, and the reduction in fee is reflected in the restated budget.

A motion was made to accept the amendment to the Operating Agreement and the motion passed.

Stacey Bright presented 2009 -2010 Operating Budget. The budget is now a balanced budget. Voice revenue is expected to be approximately \$.5 million. Cable revenue is projected to be approximately \$12 million and data revenue projected at \$4.3 million and other enterprise revenue projected at \$.5 million. There is a stretch budget which is intended to anticipate the results if growth can be accelerated. A motion was made to accept the 2009-2010 Operating Budget and the motion was passed.

Minutes from May 2009 were submitted for approval and were approved.

Paul Reilly discussed the new marketing plans. Four new direct sales people are currently working. They have generated 100 new sales in just over a month. Mail drops have been made to the non-subscribers in the area. A field review is being performed in specific areas to check for actual connections at the tap locations. Over the past several months MIC has sponsored several local events. There is a re-launch party scheduled for August 8, 2009 on the Green in Davidson.

A motion was made to move to closed session for the purpose of receiving privileged legal advice from counsel, the motion passed, and at 8:45 am the Board moved to closed session.

After returning to open session, the meeting was adjourned.

MI-Connection Board of Directors
Open Meeting
September 2, 2009

On September 2, 2009 the Board of Directors of MI-Connection held a special meeting beginning at 7:30 am in the MI-Connection Board Room, 420 S. Academy Street, Mooresville, NC.

Present in person were Board Members, John Kasberger, Dave Pendleton and Ken Essex. Also present in person were Davidson's Town Manager, Leamon Brice, and Mooresville Assistant Town Manager, Maia Seitzer, and Mooresville Commissioner Frank Radar. Also present in person were Wes Rosenbaum, Stacey Bright, James (Jr.) Miller, Kyle Hollifield, Sandra Munsey, Nola Perkins and members of the press. Present by telephone was MIC's counsel, Nick Miller and Gail Karish.

John Kasberger stated that he had been asked to serve as a temporary chairman until a permanent chairman has been elected. There was no objection, and the meeting was called to order by Mr. Kasberger. Mr. Kasberger explained that this is a special meeting and is not meant to throw off the rotation of regular meetings which are expected to be back on track in the next few months.

Operations Manager Junior Miller gave an update on the most recent month's technical stats. John Kasberger inquired as to whether there was any data available which would allow the Board to know how MIC's response times matched up against our competitors. Also, Mr. Kasberger asked about the number of truck rolls? Mr. Miller responded that truck rolls are down due to the fact that 65% of the calls are being resolved without rolling a truck. There is not sufficient data available to allow a comparison of response times.

Stacey Bright discussed the up-coming fiscal year audit which is to begin this month. Ms. Bright presented the final drafts of the July financials which the Board will endorse after the audit is complete and approved. Results from the audit are expected to be discussed at the Board's next scheduled meeting. The board did adopt the fiscal year 2009 balanced budget. The trends for August appear positive.

Sandra Munsey presented the marketing reports and future plan. Results are in for the month of August. There has been a gain in all revenue generating units. Door to door sales continue to be successful. There are still some restrictions that are limiting our ability to penetrate certain markets. The recent Mooresville town event turned out well and the next town event is scheduled for Cornelius in October.

Kyle Hollifield presented the plan to focus on obtaining more commercial customers.

Mr. Kasberger inquired if any minutes needed to be approved at this time. Ken Essex responded there were no minutes for approval at this meeting.

A motion was made to move to close session for the purpose of receiving and discussing privileged legal advice from counsel. The motion passed, and the Board moved to closed session at 8:30 am.

After returning to open session, the meeting was adjourned.

MI-Connection Board of Directors
Open Session
October 22, 2009

On October 22, 2009 the Board of Directors of MI-Connection held a meeting beginning at 7:30 am in the MI-Connection Board Room, 420 S. Academy Street, Mooresville, NC.

Present were Board Members, John Kasberger, Dave Pendleton, Dawn Huston, John Venzon and Ken Essex; also, Davidson's Town Manager, Leamon Brice, and Maia Seitzer, who attended on behalf of Mooresville's Town Manager; also, Mooresville Commissioner Frank Radar. Also present in person were Alan Hall, James (Jr.) Miller, Kyle Hollifield, Ellen Baker, Nola Perkins and members of the press (Dana Baker of the Mooresville Tribune, and David Borax). Present by video conferencing were Stacey Bright and Sandra Munsey. Present by telephone were MIC's counsel, Nick Miller and Gail Karish.

John Kasberger opened the meeting with introductions of the newly appointed Board Members; John Venzon from Davidson and Dawn Huston from Mooresville. Both John Venzon and Dawn Huston were asked to give some brief biographical background information. Also introduced were the newest members of the MIC team. Alan Hall has joined MIC as the General Manager, and Ellen Baker is the new Marketing Director.

Alan Hall then presented the business overview, including marketing, and an update on systems. He discussed the implementation of new promotional and discount packages to attract new customers. Mr. Hall expressed his approval and satisfaction with the existing physical plant. He noted that one important ongoing item is the financial audit. Also, MIC is engaged in a system audit and has determined that there may be a significant number of non-customers hooked into the system and receiving services for which they are not paying. This problem is being worked on. There is a renewed focus by Ellen Baker on revamping the marketing campaign. Dave Pendleton asked about service requirements regarding commercial accounts; and Mr. Hall briefly discussed the importance of service response times to commercial businesses.

John Kasberger inquired if any minutes needed to be approved at this time. Ken Essex responded he would present for approval at the next Board meeting the minutes for the July and September meetings and the minutes for today.

The Board Treasurer, Dave Pendleton, presented the September financials, and Ms. Bright discussed the concept of a possible "stretch" budget. Before the next Board meeting, Ms. Bright will meet with each Board member to discuss budget numbers and seek each member's comments. It was agreed that the budget would be a topic at the next Board meeting.

John Venzon asked about projections for growth, and Ms. Bright discussed the portion of the financial report that addresses the current growth and the potential for future growth.

A discussion ensued regarding the reporting of financial and other information to the towns. The town Managers require such information, and Alan Hall will meet with Leamon Brice (Davidson) on a regular agreed-upon basis. It is important for Mooresville and Davidson to

receive the same reports and to receive them in a timely manner. Ms Bright will prepare the summary reports. John Venzon requested that all Board members as well as town officials have an opportunity to review and make suggestions about the format of the reports. John Kasberger requested that Ms. Bright distribute the format to the Board members and to town officials, and once the format is reviewed, it will be presented to the Board for approval.

The Operations Manager, James Miller, gave an update on the most recent months technical stats. The NOC has been able to resolve 69.5 % of the calls coming in without having to roll a truck. Installations are at a 99% completion rate. The customer satisfaction survey is steady at a 4.84 out of 5%. Average wait from customer service is under a minute.

Nick Miller addressed the plan of bringing in an independent financial consultant to look at MIC financial performance compared to other small system cable providers. The Board approved Phase One of the study at a cost of \$5,000 of which BVU will pay half. Mr. Pendleton asked for an estimate of costs for any further phases of the study. Nick Miller and Ms. Bright will discuss with the consultant the costs associated with possible subsequent work.

Nick Miller reminded the Board that MIC has a contract with K&L Gates which has been handling legislative matters for MI-Connection in Raleigh. That contract expires in December. He suggested the possibility of combining the efforts in Raleigh with some other North Carolina Communities. This could result in some cost savings.

To comply with the Inter-local Agreement, it is appropriate to reallocate costs between the towns to reflect the subscriber count based on the previous year's audit (period ended of June 30, 2009). Stacey Bright noted that the audit was almost complete, and information concerning the audit will be distributed to the Board prior to the next meeting.

At 9:20 a motion was made to move into closed session for the purpose of discussing privileged matters, including receiving legal advice from counsel. The motion was passed.

After returning to open session, the meeting was adjourned.