

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
SUNSTONE MONTESSORI SCHOOL
HELD ON OCTOBER 11, 2014**

APPROVED BY BOARD AT BOARD MEETING HELD ON NOVEMBER 18, 2014

Introduction

After proper notice ("Notice") had been provided on behalf of Sunstone Montessori School ("School"), a special meeting ("Meeting") of the School's board of directors ("Board") began at 8:45 a.m. on October 11, 2014, in a conference room at the Portland Marriott Downtown Waterfront Hotel. A quorum of directors was present throughout the entire Meeting. There was no protest regarding the Notice or the holding of the Meeting. These persons attended the Meeting:

David Allen, as a director of the Board;
Kraig Anderson, as a director of the Board;
Karen Bettencourt, as a director of the Board and as Treasurer of the School;
Kathy Brooks, as a director of the Board;
Kristen Connor, as a director of the Board;
Jerry Elliott, as a director of the Board and as Secretary of the School ("Secretary");
Ted Hillison, as a director of the Board;
Sean Murphy, as a director of the Board;
Cathy Newman, as a director of the Board and as Head of School ("HOS");
Susan Ong, as a director of the Board;
David Smith, as a director of the Board and as President of the School;
Jeff Wiles, as a director of the Board;
Liz Field, as a consultant of the School ("Consultant"); and
Dan Wasil, as Development Director of the School ("Development Director").

This person was absent from the Meeting: **Lynn Rossing**, as a director of the Board. No other director of the Board was absent from the Meeting.

These minutes of the Meeting ("Minutes") were prepared by the Secretary and approved by the Board.

The Consultant has prepared a draft summary of the Meeting ("Consultant's Summary"), which accompanies these Minutes; and, to the extent that any of the provisions of the Consultant's Summary are inconsistent with any of the provisions of these Minutes, the provisions of these Minutes are controlling and are binding.

During the Meeting: (i) the Board discussed many topics, most of which are summarized in the Consultant's Summary and therefore need not be repeated in these Minutes; and (ii) the Board authorized and approved, at one point or another, all of the actions that are described below.

Strategic Direction

The Board discussed the School's strategic direction. Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that for the next decade the School be, and it hereby is, **AUTHORIZED** and **DIRECTED** to: (i) remain a Portland-based Montessori program; (ii) comply fully with all applicable tenets and credentials established by the Association Montessori International ("AMI"); and (iii) seek to expand to 350 students, by focusing on (a) expanding its current programs (especially its "All Year Montessori" program), (b) developing a Montessori farm school for middle-school students, (c) seeking a permanent facility that is owned by the School, and (d) acquiring or merging with similarly-minded schools or programs.

RESOLVED, that the School be, and it hereby is, **AUTHORIZED** and **DIRECTED** to: (i) undertake and complete a comprehensive market analysis, and that project will be led by the Development Director, and the final report must include an analysis of all relevant demographic conditions, trends, opportunities, and challenges, and (ii) undertake and complete a comprehensive financial analysis, and that project will be led by the Board's Finance Committee, and the final report must include an analysis of various growth scenarios, financial requirements, and market conditions (including tuition levels and staff salaries).

Site Search Committee

At the Board meeting held on September 16, 2014, the Board approved the formation of a new Board committee, with the working title of "Property Search Committee", with Jeff Wiles appointed as chair, and with the members including David Allen, Kraig Anderson, Jerry Elliott, and Ted Hillison. The Board discussed further the creation of that committee. Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that (i) the new Board committee be, and it hereby is, **RENAMED** as the "Site Search Committee", (ii) Jeff Wiles be, and he hereby is, **APPOINTED** as the chair of the Site Search Committee, (iii) Kraig Anderson, Kristen Connor, Jerry Elliott, and Ted Hillison each be, and each hereby is, **APPOINTED** as members of the Site Search Committee, and (iv) the Site Search Committee be, and it hereby is, **AUTHORIZED** and **DIRECTED** to explore the School's potential facility options, including the current site that is being leased from Portland Public Schools.

Advancement Committee

The Board discussed the marketing report and collateral materials developed by the Board's Advancement Committee in collaboration with the School's marketing consultant Frank Creative (collectively, "New Marketing Materials"). Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that (i) the New Marketing Materials be, and they hereby are, **APPROVED** and **ADOPTED** in all respects, and (ii) Kathy Brooks be, and she hereby is, **APPOINTED** as the new chair of the Advancement Committee.

Mission Statement

The Board discussed (a) the School's current mission statement ("Old Mission Statement"), (b) the proposed new mission statement developed by the Advancement Committee in collaboration with Frank Creative ("New Mission Statement"), and (c) the School's purpose as set forth in Article II ("Purpose") of the School's First Restated Bylaws, as amended through June 18, 2013 ("Bylaws"). Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that the Old Mission Statement be, and it hereby is, **REPLACED** in its entirety and **SUPERSEDED** completely by a New Mission Statement.

RESOLVED, that the New Mission Statement be, and it hereby is, **APPROVED** and **ADOPTED** in all respects, as follows:

*Sunstone Montessori School is a Community that Nurtures the Next Generation of:
Explorers of their World;
Stewards of the Earth;
Lovers of Learning; and
Skilled Contributors to Society.*

RESOLVED, that the New Mission Statement, and it hereby is, **AUTHORIZED** to be read at the beginning of every Board meeting.

RESOLVED, that the Purpose set forth in the Bylaws be, and it hereby is, **AUTHORIZED** to be read at the beginning of every Board meeting, as follows:

The School's purpose includes all of the following: (i) to operate a school for children in accordance with the Montessori method; (ii) to encourage the development of each enrolled child to his or her potential; (iii) to aid parents in the education of their child by providing on-going opportunities for parent education that foster a positive relationship between home and school and that promote involvement in school; (iv) to provide a supportive community for parents, children, and staff that is based on an understanding of the child's cognitive, social, emotional, and physical needs; and (v) to have normal functions, operations, programs, and pursuits incidental to a fully recognized and operational nonprofit center for Montessori education.

Vision Statement

The Board discussed (a) the School's current vision statement ("Old Vision Statement"), and (b) the proposed new vision statement developed by the Advancement Committee in collaboration with Frank Creative ("New Vision Statement"). Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that the Old Vision Statement be, and it hereby is, **REPLACED** in its entirety and **SUPERSEDED** completely by a New Vision Statement.

RESOLVED, that the New Vision Statement be, and it hereby is, **APPROVED** and **ADOPTED** in all respects, as follows:

Our vision is to develop a community of curious, independent, and compassionate people.

RESOLVED, that the New Vision Statement, and it hereby is, **AUTHORIZED** to be read at the beginning of every Board meeting.

Core Values, Fundamental Principles, and Brand Tenets

The Board discussed (a) the School's current statements of core values, fundamental principles, brand tenets, and tag line (collectively, "Old Value Statements"), and (b) the proposed new statements of core values, fundamental principles, and brand tenets developed by the Advancement Committee in collaboration with Frank Creative (collectively, "New Value Statements"). Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that the Old Value Statements be, and they hereby are, **REPLACED** in their entirety and **SUPERSEDED** completely by the New Value Statements.

RESOLVED, that the New Value Statements be, and they hereby are, **APPROVED** and **ADOPTED** in all respects, as follows:

Joy – We provide environments that promote healthy, happy people.

Empowerment – Our community encourages children to live to their highest potential.

Stewardship – Our community accepts the responsibility to create a better future.

Purpose – Our method and our passion drive everything we do.

Website

The Board discussed the School’s current website (“Website”). Based on that discussion, and on a motion duly made and seconded, the Board voted unanimously to **APPROVE** all of the following resolutions:

RESOLVED, that the School be, and it hereby is, **AUTHORIZED** and **DIRECTED** to redesign the Website to include (i) the New Marketing Materials, (ii) the Purpose set forth in the Bylaws, (iii) the New Mission Statement, (iv) the New Vision Statement, (v) the New Value Statements, and (vi) the School’s commitment to adhere to AMI principles.

Next Meeting: The Board’s next regular meeting is scheduled for November 18, 2014.

With no further business to discuss, the Meeting was adjourned by unanimous vote, at 3:25 p.m.

Dated as of November 28, 2014.

[Signed]
Jerry Elliott, Secretary