

May 10, 2013

To Parents, Teachers, Students, Community Members, and Supporters of North Star:

On behalf of the North Star Board of Trustees, I am providing this update to you on the progress made to-date in terms of securing the financial future of our school. I know it has been a few weeks since our “town hall” meeting and as I mentioned at the meeting, negotiations with our bondholders have been going in a positive direction. Due to the complexity of the situation, there has not been a lot to report until now. Thanks for your continued patience and faith in your Board and Administration. Here is what has been accomplished thus far:

- On April 3<sup>rd</sup>, North Star received a Notice of Defect from Meridian Joint School District No. 2, citing both short and long-term financial concerns and requiring a response within 30 days. Our response required us to provide a “detailed plan of action” that we intended to take to address such financial concerns.
- North Star filed for an extension of 30 days to deliver the Corrective Action Plan but was denied, requiring a short turn-around for the submittal of our plan. We believe, even within that limited time frame, we have provided a sustainable and long-term solution. The Corrective Action Plan addresses the issues contained in the Notice of Defect and we indicated it would take 45 days to conclude the steps we described in the Plan. We emailed you the Corrective Action Plan last week before we submitted it to the Meridian School District, but you can find the full details of the Plan on our website [here](#).
- The Plan includes both short-term and longer-term fiscal stability solutions which can be found on pages 3 and 4 of the document.
- North Star will conduct its normal year-end activities as planned (graduation, testing, prom, and preparation for summer fund-raising events, among others).
- We are currently working on a draft of a Forbearance Agreement that we received from the bondholders on Wednesday, May 8<sup>th</sup>. With the exception of a couple minor issues which we have already discussed with their attorneys, the Agreement is what we expected. The individual bondholders still have the opportunity to comment and suggest additions/modifications to the agreement, but at this point we believe we should be able to execute the agreement soon. Once this is done we can put to rest our short-term concerns regarding our ability to finish this fiscal year and complete the 2013-2014 school year. We will then be able to focus our efforts on finding a permanent long-term solution to our financial issues.

Again, the Board and Administration are extremely grateful for your continued support as we work towards lasting solutions for our school. We will continue to make every effort to balance communicating transparently and following legal recommendations. As promised, we have been proactively meeting with teachers, students and stakeholders in addition to posting updates to the website, Facebook and providing email updates. As always, we

appreciate and value your feedback. We ask that you continue to be patient as we negotiate with bondholders and work with the Meridian School District. I am proud to be a part of North Star Charter School and am looking forward to many more successful years of providing our children with a top-quality education.

All the best,

Jim Miller