

STONE MOUNTAIN MEMORIAL ASSOCIATION
DEVELOPMENT AND FINANCE COMMITTEES MEETING
August 15, 2011

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Monday, August 15, 2011, at Evergreen Conference Center, Stone Mountain Park.

FINANCE COMMITTEE MEMBERS PRESENT

Greer Johnson, SMMA Vice Chairman

Dick Childers

Mike Pentecost

Becky Kelley representing Mark Williams, Commissioner Department of Natural Resources

DEVELOPMENT COMMITTEE MEMBERS PRESENT

Mark Baxter, SMMA Chairman

Ray S. Smith III, Chairman Development Committee

Joan Thomas

MEMBERS ABSENT

Carolyn Meadows

OTHERS PRESENT

Curtis Branscome, C.E.O.

Bill Stephens, Director of Administration

Bob Cowhig, Director of Planning and Construction

Gail Durham, Director of Finance and Secretary

Call to Order

The meeting was called to order. Mr. Baxter appointed Mr. Pentecost as Chairman of the Finance Committee.

Review of Amendment Eight

Mr. Branscome said that the eighth amendment has been revised and is now term limited to five years. Amendment Eight begins January 1, 2012 and payments to the reserve account for the resort properties will continue under Amendment Seven through December 31, 2011.

The terms of the amendment were reviewed along with definitions. All the funds paid by SMMA into the escrow account are eligible in the calculation for additional rent as defined in the amendment.

Ms. Johnson moved to recommend approval of Amendment Eight. Mr. Childers seconded the motion and it was unanimously approved.

Review of Revised Five-Year Capital Program

Mr. Branscome said that during the negotiations for Amendment Eight the lessee had requested that SMMA commit to funding certain capital improvements or renovations for the resort properties. SMMA was not willing to make that financial commitment. The Amended Five-Year Capital budget does commit SMMA to look at any proposed additional resort property capital needs on an annual basis and decide whether to fund these based on SMMA priorities and funding ability.

Mr. Pentecost asked how the campground and golf properties have performed in relation to the poor performance of the hotels. Mr. Stephens said he was invited to a meeting last week to review the resort property performance and the golf operation has suffered along with the hotels. Mr. Smith stated that golf is a high maintenance amenity for any resort property. Mr. Branscome said the campground has been very profitable and continues to draw a lot of business.

A motion was made by Ms. Thomas to recommend approval of the five-year capital program, seconded by Mr. Smith and approved unanimously by the committees.

Review of Year-to-Date Financial Statements

Ms. Durham reviewed the year-to-date financial statements for SMMA for the period ending June 30, 2011. Total revenues year-to-date were almost \$5 million compared to the budget of \$4.8 million. Total operating expenses were \$3.2 million compared to the budget of \$3.5 million. Net operating profit before interest and depreciation was \$1.76 million compared to the budget of \$1.3 million. After interest and depreciation the net loss through June 30 is \$623,000 compared to the budgeted loss of \$744,000.

Net cash provided through operating activities year to date was \$1.1 million and the cash balance at the end of June was \$7.2 million.

Mr. Childers asked where the escrow payments to Marriott were reflected in the financial statements. Ms. Durham stated that it is shown on the balance sheet as a deferred expense and will be capitalized as property, plant and equipment as projects are finalized at the hotels.

Meeting adjourned at 11:30 a.m.

Notes taken by
Gail Durham, Secretary