

STONE MOUNTAIN MEMORIAL ASSOCIATION
November 17, 2008

A meeting of the Stone Mountain Memorial Association was held at 1:00 p.m. on Monday, November 17, 2008, at Evergreen Conference Center, Stone Mountain Park, Stone Mountain, Georgia.

ASSOCIATION MEMBERS PRESENT

Mark Baxter, Chairman
Greer Johnson, Vice Chairman
Brent Brown
Bill Chappell
Noel Holcomb
Carolyn Meadows
Mike Pentecost
Joan Thomas

ASSOCIATION MEMBER ABSENT

Ray S. Smith, III

OTHERS PRESENT

Curtis Branscome, C.E.O.
Bob Cowhig, Director of Planning & Construction
Gail Durham, Director of Finance
Teri Fields, Assistant Attorney General

CALL TO ORDER

Mark Baxter, Chairman, called the meeting to order.

APPROVAL OF MINUTES

A motion was made by Bill Chappell, seconded by Noel Holcomb, and unanimously approved to waive the reading of the minutes of the October 20, 2008 meeting and to adopt the minutes as printed. A draft copy of the minutes was sent to each Board Member prior to the meeting.

PUBLIC COMMENT

None.

SILVER DOLLAR CITY/STONE MOUNTAIN PARK REPORT

Gerald Rakestraw distributed brochures for the Christmas program. The Christmas program began on November 7 and unfortunately it was raining for employee preview night.

Snow Mountain will begin testing on December 26. Mr. Holcomb was interested in attending this preview and Mr. Rakestraw said he would get the details to Ms. Durham for distribution.

The Antique Auto Museum will be closing. Mr. Protsman has operated this facility which has been an icon in the Park for many years. He is ready to move on to other ventures and will be holding an auction on March 22-23 to liquidate the remaining inventory. Some of the cars and memorabilia have been sold to private investors.

FINANCE COMMITTEE REPORT

Ms. Durham reported that the Finance Committee had met earlier and reviewed the financial statements for the period ending October 31, 2008. Revenues for the ten month period were \$9.1 million compared to the budget of \$9.3 million. The unfavorable variance is due to lower than anticipated interest rates on investments this year.

Operating expenses year-to-date are \$4.9 million compared to the budget of \$5.3 million. Net operating profit before depreciation was \$4.1 million compared to the budget of \$4.0 million. After depreciation expense the excess of revenue over expense is \$1.1 million compared to the budget of \$783,000 leaving a favorable variance of about \$340,000.

A motion was made by Joan Thomas, seconded by Noel Holcomb, and unanimously approved to accept the Finance Committee report.

ADOPTION OF 2009 BUDGET

Mr. Branscome stated that the 2009 budget was reviewed in the Finance Committee meeting earlier and has been recommended for adoption by the Board. Interest income is lower for 2009 due to lower interest rates on earnings. Net profit after depreciation is forecasted at \$53,000. Total operating expenses are budgeted at \$6.7 million or about 5.6% higher than last year. This budget has been reviewed by committee in the last two meetings.

A motion was made by Mike Pentecost, seconded by Greer Johnson, and unanimously approved to adopt the 2009 Budget.

SIXTH AMENDMENT TO THE LEASE

Mr. Branscome stated that the sixth amendment had been reviewed and discussed in committee meetings prior to the Board meeting. The Finance and Development Committees have recommended approval of this amendment. Given the general economic climate and the poor performance of the hotel industry, SMMA has agreed to grant temporary relief to Silver Dollar City Stone Mountain Park by foregoing the CPI-U percentage increase in rent for the calendar year 2009 and 2010. A 2% cap on the CPI-U percentage in calendar year 2011 is also included in the amendment. In 2012 the original lease provisions for increases in rent would resume. In exchange for this economic relief we have included an increase in the lease termination penalty for 2009 and 2010 from 125% to 150%. In the year 2011 the penalty would be 137%.

Mr. Baxter said that since the amendment had been recommended for approval by the committees he would call for a vote. The amendment was approved unanimously.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Branscome stated that SMMA was bidding on significant water and sewer improvements. He said the desire was start the work in January and have as little impact on the Park operations as possible. The bids are due in December and are expected to be around \$1 million. If they go over \$1 million then Board approval would be required to award a contract. The Board could vote on this matter if necessary before the Holiday dinner on December 13.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:15 p.m.

Mark Baxter, Chairman

Submitted by
Gail Durham, Secretary