

MI-Connection Board of Directors
Open Session
May 21, 2009

On May 21, 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, David Pendleton, John Kasberger, Ron Steen, and Ken Essex. Present by telephone were Board member, Steve Miller and MIC's counsel, Nick Miller. Present in person or teleconference were Stacey Bright, James (Jr.) Miller, Paul Reilly, Kyle Hollifield, Sandra Munsey, Nola Perkins, and Michael Guerity (GMG Communications). No members of the press were present

The meeting was called to order by Evan Webster.

Board meeting minutes were presented to the Board for the meeting held on April 30, 2009. A motion was made for the approval of the minutes, and the motion passed.

Dave Pendleton presented the financial information for the most recent reporting period. Total revenues for April were \$1,187K, which exceeded budget by more than \$22K. Monthly ARPU was also over budget. EBITA was negative due to some onetime costs. Administrative expenses for April were over budget, and James Miller currently is considering ways to lower those costs. There was a net subscriber loss for the month of April of 130. There is a net loss of subscribers (723) for the fiscal year to date. It appears that the net loss is attributable primarily to the downturn of the economy.

Sandra Munsey then discussed why we are seeing a churn in subscribers. According to the information gathered, it appears that most of the churn is a result of people moving out of the area.

James Miller presented the monthly call stats. The last reporting period covered was the best period to-date with the fewest number of trouble calls. MIC has reached its established goal of number of resolved calls without rolling trucks. Installs are up 1% with an average turn-around time of a day and a half.

Sandra Munsey and Paul Reilly presented the updated marketing plan. Video on Demand has been launched and has been well received. A customer retention plan was discussed as was a proposed rate increase. It was noted that there has not been a rate increase since MIC took over the system in December 2007. The Board discussed the necessity for the rate increase and how to best disseminate information about the rate increase to the public. A motion was made to approve the rate increase and the motion was passed with a vote of 3-1. The increase will take effect July 1st, and customers will be notified via mail by June 1, 2009.

Mr. Webster discussed the bills currently pending at the NC legislature and gave an update on the Federal Stimulus Package.

The June 30th Audit by Dixon Hughes was discussed, and a motion was made to rehire Dixon Hughes. The motion passed.

Nick Miller discussed the issues MIC has with Time Warner Cable regarding the Catawba Avenue and Brawley School Road projects. All information concerning those matters has been provided to the bankruptcy trustee and a decision is expected by middle of June.

A motion was made to adjourn, and the motion passed. The meeting was adjourned at 9:45am.