

Holley-Navarre Water System, Inc.
Special Session (Closed Meeting)
(Confidential – Legal and Personnel matters)
August 3, 2022

Joe Campbell, Board President, called the meeting to order at 6:05 P.M. The following Board of Directors were present: Joe Campbell, Mark Miller, Bill Thiel, Mike Kennedy, Daryl Lynchard, Don Linnell and James Dabney. HNWS Legal Counsels Will Dunaway, Esq. and Daniel Harrell, Esq. were also present. Audio and Video recorders were not present.

Unfinished Business

Legal and Personnel Matter: Legal Counsel briefed the Board on the results of the “third party investigation” of matters concerning the current HNWS CEO. This third party investigation was directed by the Board during the Special Board Meeting held on July 28, 2022.

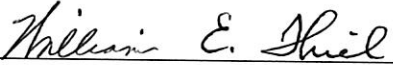
- Investigation results presented provided factual data that the CEO had violated the terms of his employment agreement with HNWS in three areas, specifically: paragraph 4(c) (i), (ii), and (v).
- Lengthy discussion followed with all Board Members providing input.
- Upon conclusion of the discussion there were several motions acted upon by the Board as listed below under New Business.

New Business

The following HNWS Board motions were presented and voted upon:

- **Motion by Director Campbell, seconded by Director Lynchard to “Immediately terminate the employment agreement of HNWS CEO, Dr. Dallas M. Peavey Jr., for cause, based on paragraph 4(c)(i), (ii), and (v).” After discussion motion passed by roll call vote = 7 to 0.**
- **Motion by Director Lynchard, seconded by Director Miller to remove Dr. Dallas M. Peavey Jr. as a Manager of The Club at Hidden Creek, LLC and as Officer & Director of Municipal Engineering Services, Inc. After discussion, the motion passed on roll call vote = 7 to 0.**
- **Motion by Director Thiel, seconded by Director Linnell to approve Press Release prepared by Legal Counsel for release by Board President Joe Campbell upon completion of termination actions for Dr. Peavey. After discussion motion passed on roll call vote = 7 to 0.**
- **Motion by Director Miller, seconded by Director Lynchard to name MESI Employee Phillip Phillips as Acting Interim CEO of HNWS. After discussion motion failed on roll call vote = 3 in favor/4 opposed.**
- **Motion by Director Kennedy, seconded by Director Lynchard to name HNWS Board President Joe Campbell as Acting Interim CEO of HNWS. After discussion motion was approved on roll call vote = 5 in favor/1 opposed/1 abstention**

Meeting adjourned by voice vote at 8:03 P.M



Bill Thiel, Secretary/Treasurer