DISCLOSURE, CONSENT AND WAIVER OF CONFLICTS OF INTEREST

THIS DISCLOSURE, CONSENT AND WAIVER OF CONFLICTS OF INTEREST ("Disclosure") is made as of the 10th day of October, 2018, by and among:

A. Elizabeth Patterson ("Beth"), Lewis White ("Lewis"), James A. Metcalfe ("Jim"), Joanne Young ("Joanne");

B. Tim Craddock, Henry Ghittino, Patrick Goold, Chalit Fernando, James A. Metcalfe, Nicole Padmore, Michael Rossi, Dean Wells, Joanne Young (collectively, the "Members of the School Committee"); and

C. The Friends School, a Virginia non-stock corporation (the "School"), aka the Virginia Beach Friends School, the Trustee of the Virginia Beach Monthly Meeting of the Religious Society of Friends ("Meeting") and Friends of Friends, LLC, a Virginia limited liability company ("Friends of Friends").

WITNESSETH:

WHEREAS, Beth, Lewis, Jim and Joanne formed Friends of Friends to provide a line of credit to the School (the "Line of Credit"); and

WHEREAS, the School, Meeting and Friends of Friends expect at some point to refinance the line of credit with TowneBank or other lender; and

WHEREAS, Beth, Lewis, Jim and Joanne (sometimes collectively referred to as the "Friends Group") are members and managers of Friends of Friends; and

WHEREAS, Beth, Lewis, Jim and Joanne also serve in official positions with the School, Meeting and/or TowneBank; and

WHEREAS, Beth is a member of both the main board of directors and the Virginia Beach, Virginia, board of directors of TowneBank, and her husband, John Thomas "Tom" Bertrand is a member of Meeting; and

WHEREAS, Lewis is a member and trustee of Meeting; and

WHEREAS, Jim is a member of the School committee; and

WHEREAS, Joanne is clerk of the School committee; and

WHEREAS, serving in official positions with Friends of Friends, on one hand, and serving in official positions with the School, Meeting and/or TowneBank, on the other hand,

creates conflicts of interest for Beth, Lewis, Jim and Joanne; and

WHEREAS, the School, Meeting and the Members of the School Committee desire to acknowledge the conflicts of interest, to consent to them and to waive the conflicts of interest;

NOW THEREFORE the parties disclose, consent and waive as follows:

1. Disclosure. The Friends Group believes the roles they serve and their conflicting nature should be formally disclosed in writing. Beth, Lewis, Jim, Joanne and Friends of Friends disclose to the School, Meeting and the Members of the School Committee that they serve in roles that create the basis for bias and conflicts of interest.

2. Conflict Situations. The Friends Group formed Friends of Friends to benefit the School. While the Friends Group does not believe that their loyalty and dedication to the School and Meeting will be compromised and does not anticipate that issues will arise in connection with the conflicts of interest, there are situations in which the conflicts of interest could work adversely to the School and/or Meeting. Among other situations:

a. The line of credit establishes a lender - borrower relationship between the School and Friends of Friends, with the School as borrower and Friends of Friends as lender. As lender, Friends of Friends could enforce or apply the terms of the line of credit onerously. For example, the Friends Group could cause Friends of Friends (1) to call the demand note and demand immediate payment in full and/or (2) to foreclose on the School's real estate.

b. The Friends Group could take advantage of their inside knowledge of the School to improve Friends of Friends' position as lender and to make the School's payment of the line of credit and compliance with its terms difficult or impossible.

c. Beth could steer the School and its financing needs to TowneBank on terms less favorable to the School than the terms offered by Friend of Friends or other lender.

3. Acknowledgment. The School, Meeting and the Members of the School Committee acknowledge the conflicts of interest described in this Disclosure.

4. Waiver. Despite the conflicts of interest, the School, Meeting and the Members of the School Committee desire to move forward with the line of credit and consent to and waive the conflicts of interest.

5. Independent Counsel. The School, Meeting and the Members of the School Committee acknowledge that they each have consulted with independent counsel to their satisfaction or had the opportunity to consult with independent counsel to their satisfaction concerning this Disclosure and the conflicts of interest.

6. Binding Effect. This Disclosure shall extend to and bind each party's heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have signed this Disclosure as of the first day written above.

The Friends Group:

_____	_____
Elizabeth Patterson	Lewis White
_____	_____
James A. Metcalfe	Joanne Young

Members of the School Committee:

_____	_____
Tim Craddock	Henry Ghittino
_____	_____
Patrick Goold	Chalit Fernando
_____	_____
James A. Metcalfe	Nicole Padmore,
_____	_____
Michael Rossi	Dean Wells
_____	
Joanne Young	

[Signatures continued on next page.]

Friends of Friends, LLC

By:_____
Lewis White, Operating Manager

The Friends School aka Virginia Beach Friends School

By:_____
Name:_____
Title:_____

Trustees of the Virginia Beach Monthly Meeting
of the Religious Society of Friends

By:_____
Name:_____
Title:_____

L:\36594\conflict.k.10.10.18.wpd