

Minutes of the Regular Meeting
of the Board of Trustees
of
American Public University System, Inc.

February 6, 2006

A regular meeting of the Board of Trustees of American Public University System, Inc. ("APUS" or the "Corporation") was held on Monday, February 6, 2006, at 1:35 p.m., in the Corporation's offices in Charles Town, West Virginia.

Trustees Present: Katherine H. Zatz, Ed.D. (*Chairman*)
W. Franklin Ball
Wallace E. Boston, Jr.
Lucie Lapovsky, Ph.D.
Katy E. Marre, Ph.D.
Rita S. Thompson-Joyner (*Vice Chairman*)
Lt. General Richard G. Trefry
Harry T. Wilkins

Trustees Absent: General A.M. Gray

Guests Present: Phillip A. Clough, ABS Capital Partners
Ralph Terkowitz, ABS Capital Partners
Timothy T. Weglicki, ABS Capital Partners
David L. Warnock, Camden Partners
James H. Herhusky, APUS
Frank McCluskey, Ph.D., APUS
Leon Han, ABS Capital Partners
Thene M. Martin, Hogan & Hartson L.L.P.

A quorum of Trustees being present and the Meeting having been duly called, Dr. Zatz announced that the Meeting would proceed with the transaction of business.

Minutes of Previous Meeting

Dr. Zatz referred to the draft minutes of the Board's meeting held on December 9, 2005. After discussion of certain changes thereto, upon motion duly made and seconded, the Board approved the minutes as amended.

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Assessment of HLC Team Session

Dr. Zatz summarized the areas of interest that the HLC Site Team had appeared to focus on in their meeting with the Trustees. Dr. Zatz and Dr. Marre indicated that in their experience, site visit teams spend much of their time confirming the information set forth in the institution’s self-study report. The Trustees thanked Mr. Herhusky and the rest of the APUS team for their hard work in preparing the report and facilitating the site visit.

Financial Statement Review

Ms. Kessler was meeting with the HLC Site Team and President Boston reviewed with the Board the draft financial statements for the Corporation for the month ended December 31, 2005, together with preliminary year end results. He reviewed specific line items as compared with budget and discussed the anticipated impact that participation in federal student financial aid could have on the University if approval to participate is obtained, noting that there will be meetings of the Academic Affairs and Finance committees to discuss further. The Trustees requested, to the extent available, a profile of new students to understand better how net registrations may be increased.

Audit Status and Timeline

President Boston indicated that the draft audit for fiscal year 2005 was close to being complete. He requested formal approval of the engagement of McGladrey & Pullen, LLP, as the Corporation’s auditors for 2005. Upon motion duly made and seconded, the engagement of McGladrey & Pullen, LLP was unanimously approved.

President Boston indicated that a discussion of the University’s tuition strategy would be on the agenda for the next regularly scheduled meeting of the Board on May 19, 2006.

There being no further business, the Meeting was adjourned at 2:50 p.m.

Respectfully submitted,

APPROVED:

Thene M. Martin
Secretary of the Meeting

Katherine H. Zatz, Ed.D.
Chairman of the Board