

**Minutes from the Board Meeting of the ISLA Affiliated Building Corporation (“ISLA ABC”)
Held on January 14, 2015**

Board Members in Attendees: Andy Babula, Jill Prohofsky, and Kathy Madson (by phone)
Guests in Attendance: Natalie Wobbema

The following topics were discussed during this meeting:

1. The Minutes for the Board Meeting held on October 29, 2014 were reviewed by the Board. Andy Babula moved that the Minutes be accepted (seconded by Jill Prohofsky). Motion was passed.
2. Treasurer’s report was presented by Mr. Babula and discussed by the attendees. The report included information on the invoices that have been received and paid; status of rent payments from ISLA that have been received; and mortgage payments made to pay lenders. Mr. Babula confirmed that automatic lease payments from ISLA have been set up and are functioning properly. ISLA had advanced \$25,000 to ISLA ABC to cover closing costs associated with the acquisition of the school. The decision was made to pay off this advanced amount in \$5,000 monthly payments over 5 months. The first payment was made in January 2015. The final financial discussion centered around the best method to maintain the financial records of ISLA ABC with an eye to (i) preparing quarterly reports required by the lenders and (ii) transferring the financial records to successor Treasurers. A decision was made to look into utilizing Quickbooks Online.
3. Next discussion centered around the status of insurance coverage. The initial discussion was that the required payment was made from the funds advance by ISLA to cover closing costs. Ms. Prohofsky agreed to confirm that the initial insurance payments were made and what, if anything, must be completed in order for insurance to be renewed for the next insurance period and when payments are due.
4. Discussion on the status of outstanding items from the closing of acquiring the school. Ms. Prohofsky confirmed that she has still not received the promised closing documents from the lenders. She agreed to follow-up on the status of this open item.
5. Discussion on post-closing obligations. Mr. Babula confirmed that he had submitted a request for property tax exemption to the county on November 18, 2014. Deadline to file is January 23, 2015 and we are still waiting for response from the county. Ms. Prohofsky had received an application for property tax exemption from the City of Minnetonka. Mr. Babula agreed to follow up on this received application to determine if this application should be submitted.
6. Ms. Prohofsky reviewed the reporting requirements and other obligations from the list provided by the lenders. Discussion on who would be the most appropriate point person on the ISLA Board to be appointed to gather documentation which ISLA ABC is required to submit to the lenders to be in compliance with the loan requirements. The decision was made to recommend that this point person be the ISLA Treasure. Ms. Prohofsky included this recommendation in her report to the ISLA Board and Natalie Wobbema agreed to forward the current list of required items to ISLA’s current Treasurer.

7. Last item on the agenda was the status of the Board for next year. The term of the current Board ends on June 20, 2015. Of the current ISLA ABC Board members, only Mr. Babula has agreed to return to an additional term. Ms. Wobbema indicated that she would be willing to volunteer for appointment to the ISLA ABC Board. One additional Board member will need to be recruited.

8. The recommendation was made that meetings of the ISLA ABC now be held on a quarterly basis and be set in connection with the dates associated with lender reporting requirements. The next Board meeting will be held on April 29, 2015.

9. As the meeting comes to a close, Ms. Prohofsky prepared a current report summarizing current ISLA ABC issues and decisions which will be provided to the ISLA Board. The topics of this report were reviewed by the attendees.

10. A decision was made that Ms. Prohofsky and Mr. Babula will attend the ISLA Finance committee scheduled for April 13, 2015 to discuss the development of procedures / policies concerning for requesting funds from the ISLA ABC. Also, there was a discussion on what procedures ISLA ABC would like to utilize to set reserve funds for major tasks. Kathy Madson agreed that she would prepare a list of items that are the responsibility of ISLA versus ISLA ABC under the term of the lease. This will be made available prior to the April 13th meeting.

11. Ms. Prohofsky made a motion to adjourn (seconded by Mr. Babula). Motion was passed.