

**Minutes from the Board Meeting of the ISLA Affiliated Building Corporation (“ISLA ABC”)
Held on January 27, 2014**

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

The following topics were discussed during this meeting:

1. Motion made by Jill Prohofsky (seconded by Andy Babula) to approve the minutes from the prior meeting held on November 18, 2013. Motion was passed with an amendment to correct the date on the version of the minutes posted for review.
2. Motion made by Jill Prohofsky (seconded by Kathy Madson) to approve the minutes from the prior meeting held on December 4, 2013. Motion was passed.
3. Discussion concerning the engagement letter provided by Minnesota Bank and Trust. Given that the letter is non-binding upon the parties, a decision was made to sign the engagement letter by the end of February 2014.
4. Discussion concerning the date and time to meet with Laura, a representative from the CSDC during the week of February 10th. Tentatively, the group decided on a meeting to be held on February 12th from 1 pm to 3 pm. Natalie Wobbema agreed to work with Karen (at the school) and Laura to confirm the date and time. It is proposed that the meeting will be held at the ISLA conference room. In addition to working with CSDC to establish a time to meet, Natalie will be request an annual accounting for the Total Project Cost described in the lease agreement.
5. Discussion on the status of the Form 1023. Jill Prohofsky confirmed that it was filed in mid-January.
6. Discussion on the issue of purchase price for the 5500 Shady Oak Road property (“Property”) outlined on the pricing spreadsheet provided by CSDC. Kathy Madson discussed the actual contract language found in the current lease agreement related to the proposed purchase of the Property. Discussion included possible purchase price option. The outcome of the discussion was a decision to recommend the offer made by MN Bank and Trust and to provide a written update to the ISLA Board once the purchase price has been negotiated with the potential lease cost.
7. Cindy Monturiol agreed to obtain copies of current mortgage documents for the loan(s) taken out by CSDC to purchase the Property. The purpose of obtaining these copies is to determine the remaining principle balance on the mortgage.
8. Discussion on the sensitivity report concerns raised by the ISLA Board and the breakpoint interest rate associated the acquisition of the Property (i.e., 9.75%). This information was previously provided to the ISLA Board in advance of the October 2013 Board Meeting (i.e., located at abc.isla-academy.org – financial documents). Kathy Madson agreed to prepare a draft of concerning the breakpoint interest rate as a summary for the ISLA Board’s February 2014 meeting.
9. Andy made a motion to adjourn (seconded by Jill Prohofsky). Motion was passed.