

**Minutes from the Board Meeting of the ISLA Affiliated Building Corporation (“ABC”)
Held on October 13, 2013**

Board Members in Attendees: Andy Babula, Jill Prohovsky, and Kathy Madson
Guests in Attendance: Natalie Wobbema, Cindy Monturiol

The following topics were discussed during this meeting:

1. Motion made by Jill Prohovsky (seconded by Andy Babula) to accept the actions of the Incorporator (Cindy Monturiol) which established the ISLA ABC as a limited liability company. Motion was passed.
2. Motion made by Jill Prohovsky (seconded by Kathy Madson) to relieve the Incorporator from any further responsibility. Motion was passed.
3. Motion made by Jill Prohovsky (seconded by Andy Babula) to adopt the Bylaws. Motion was unanimously passed. The Bylaws were signed. A discussion ensued on where the original documents should be retained. The decision was made to keep the original documents at ISLA which is the address used for the incorporation of the ISLA ABC.
4. Assignment of the Board Members to officer positions was approved.
Jill Prohovsky – President
Andy Babula – Treasurer
Kathy Madson – Secretary
5. Motion made by Jill Prohovsky (seconded by Andy Babula) to approve the proposed Conflict of Interest policy. Motion was approved. Board Members completed forms and returned completed and signed documents to Jill Prohovsky.
6. Discussion was held on the issue of filing the Form 1023 with the IRS. Natalie Wobbema provided information on the issue of disregarded entities and separate non-profits. Jill Prohovsky agreed to reach out to the ABC’s outside counsel to follow up on this.
7. Discussion on the issue of whether to pursue a bond versus a bank qualified tax exempt (BQTE) financing to purchase the 5959 Shady Oak Road property (“5959 Property”). The discussion included the need for third party involvement to pursue BQTE financing. These third parties would include the Nonprofit Assistance Fund, MB&T, and CSDC. The attendees all agreed that pursuing BQTE financing could work if all of the third parties were willing to commit to terms that would facilitate a mortgage/loan being issued for the 5959 Property. Natalie Wobbema agreed to call Phil Hartley (of the Nonprofit Assistance Fund) and Kelly (of MB&T) to determine the level of commitment of their organizations to support ABC’s pursuit of a mortgage.
8. Discussion of the cost comparisons between BQTE financing versus a bond issuance. Financial comparison chart was provided by Andy Babula and is attached as Exhibit A. In summary, the ability to obtain BQTE financing would save approximately \$60,000 per year which translates into an overall difference of approximately \$1.7M savings over the course of a 30-year mortgage. The outcome of this discussion was that it was preferred by the ABC Board

Members to suggest to the ISLA Board that a 10-year mortgage and lease would be the preferred option to pursue if commitments could be obtained by the appropriate third parties.

9. Discussion on ways to fundraise to address costs the ABC will incur to pursue purchase of the 5959 Property. Discussion included seeking funds from the ISLA Parent Teacher Organization (PTO) and to consider other options as they become known.

10. Discussion on issues that the motion that would need to be presented to the ISLA Board for consideration. A copy of the motion is attached as Exhibit B. Jill Prohofsky agreed to present the motion to the ISLA Board at their next meeting.

11. Discussion on how a location for the ABC Board could to be incorporated onto the ISLA website in a manner that would allow Board materials to be located while at the same time supporting the independence of the ABC Board from overall ISLA activities. Jill Prohofsky agreed to discuss this topic with the appropriate person who manages the ISLA website.

12. Discussion on the status of the reimbursement process / levels from ISLA Board to the ABC Board for legitimate ABC expenses. The original motion for a reimbursement process was associated with the issuance of a bond and this motion was not approved by the ISLA Board. A decision was made that the reimbursement process needed to be revised to allow for a reimbursement process associated with either a mortgage or bond issuance and then be resubmitted to the ISLA Board for consideration.

13. Motion was made by Andy Babula (seconded by Jill Prohofsky) to adjourn the meeting. Motion was passed.