

**Minutes from the Board Meeting of the ISLA Affiliated Building Company (“ABC”)
Held on December 4, 2013**

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

The following topics were discussed during this meeting:

1. Discussion was held on next steps and an updated project timeline. The timeline previously provided mainly dealt with the ISLA board’s role in obtaining approval from IQS and MDE to form an ABC, appointing members, and initial corporate formation. Timeline stated as follows:

- ISLA, ISLA ABC, and CSDC work on purchase/finance of building
- Lease between ISLA and ISLA ABC finalized and approved by MDE
- Closing and new lease begins

Now that the ABC has been formed and nonprofit status is being sought from the IRS, the ISLA board needs to redefine how to work with the ABC. Appointed January 15, 2013, the taskforce was tasked with “considering the analytical points that need to be answered regarding different options that could lead to ISLA owning its building. This will include but is not limited to underwriters, the credibility of attorneys involved, experts to consult/employ, the formation of a separate company.” The purpose of the original Building Acquisition Task Force has been fulfilled.

2. The ABC board believes the ISLA board should appoint people to work with the ABC to pick a financial path, negotiate purchase of the building, and negotiate a lease. A person with financial expertise and a person with real estate expertise would be the most helpful. The ABC suggests the following revised timeline.

December - ISLA Board appoints a new task force for the purpose of finalizing the building acquisition.

December & January – New task force and ABC meet to review financial options and arrive at a joint recommendation.

February – ISLA Board approves financing option/direction and passes an appropriate reimbursement resolution. Due diligence required by lender(s) is gathered.

At this point, negotiation on the purchase price (between ISLA, ISLA ABC, and CSDC) will occur. The terms of the lease between ISLA and ISLA ABC will also be negotiated. The proposed lease will then need to go to MDE for approval. Once approved, closing will be set when 501c3 status is obtained by the ISLA ABC.

3. Jill will write up the report to the ISLA Board, which is due 12/10. At the 12/17 meeting, Natalie will make the motion to appoint new task force members. Prior to that date, she will ask Cindy Monturiol if she is interested in serving on the task force as well.
4. The ABC board reviewed the draft of the 1023 and attachments, making several changes and nonsubstantive additions. Natalie will provide the budget info necessary for Section IX (Financial Data). Once all of the information is assembled, Jill will submit it to attorney Craig Kepler to be finalized and submitted to the IRS.
5. Motion made by Kathy Madson (seconded by Andy Babula) to approve the 1023 with the minor changes discussed and budget numbers previously provided to the ISLA Board. Jill Prohofsky is authorized to sign the 1023. Motion was approved.
6. Discussion was held on the next steps. Natalie agreed to contact Phil Hartley (of the Nonprofit Assistance Fund) and CSDC to determine what is necessary to obtain a firm commitment from them.
7. Discussion was held on the need to formally notify CSDC of ISLA's intent to exercise the option to purchase. Per the lease, closing should occur within 60 days of the notice and so this issue is not yet ripe. Kathy will draft an option to purchase letter, which would be presented to Jen Dellmuth (ISLA Board Chair) for signature when appropriate.
8. Motion was made by Andy Babula (seconded by Jill Prohofsky) to adjourn the meeting. Motion was approved.