

ISLA ABC Working Meeting Minutes

Meeting held on 7/13/2014

1. Update from Jill Prohofsky on the current status of bonds, financing options provided by Minnesota Bank and Trust ("Bank"), and potential request from the Bank concerning a reconsideration of the initial appraisal received for the ISLA property.
 - a. The City of Minnetonka approved bond request for \$3.6 million at its July 7, 2014 council meeting.
 - b. The Bank has indicated that it may be able to provide financing up to 80% of the value of the property rather than the 75% originally proposed in their commitment letter.
 - c. Ms. Prohofsky will be requesting a letter from Craig Kepler, outside counsel for ISLA ABC, that outlines the basis for reconsideration of the appraisal with the goal of providing this document to the Bank for their use in these efforts.
2. Discussion on the impact of the current appraisal and the potential financing gap that could occur if a reappraisal does not result in a higher value for the property.
3. Discussion on the timing of seeking approval from Charter School Development Corporation ("CSDC") (as required in ISLA's current lease) to update the signage outside the school and begin new concrete work. The decision was made that the approval should be sought as soon as final approval for the work was issued by the ISLA Board of Directors.
4. Discussion on how to expeditiously work with the ISLA Board of Directors to finalize the lease terms so the lease could be submitted to the Minnesota Department of Education ("MDE") for approval as MDE approval is a contingency in the purchase agreement with CSDC.
 - a. The decision was made to make a motion at the upcoming ISLA Board of Directors meeting for the Board to authorize an officer to enter into the lease with ISLA ABC without the need for a separate Board Meeting to approve the lease terms.
5. Discussion on the memo that would need to be provided to MDE with the executed lease in order to receive timely processing of the request for approval. Ms. Prohofsky agreed to ask for a sample from Mr. Kepler's office so we could prepare the first draft for Mr. Kepler's consideration.
6. Discussion on the status of the purchase agreement with CSDC. The decision was made to submit the current redlines to CSDC for consideration. Kathy Madson to ensure that all of the current information is included in the redline document and Andy Babula to be sending the redlines to CSDS to begin the negotiation process.