

**MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF
PARNASSUS PREPARATORY SCHOOL**

Held August 23, 2016

Minutes of a Regular Meeting of the Board of Directors of Parnassus Preparatory School, a Minnesota non-profit corporation (the “Company” or the “School”), held on August 23, 2016 at Parnassus Preparatory School, 11201 96th Street, Maple Grove, Minnesota.

Present at the meeting were directors Greg Friess, Ken Zigrino, Barb Rose, Nancy Rigby and Heather Ross. Also present was Ms. Ford, Executive Director, and Craig Kepler, the School’s real estate counsel.

The meeting was called to order by Mr. Friess at 4:02 p.m. All directors present waived notice of meeting, and Mr. Friess noted the presence of a quorum.

MISSION STATEMENT

The next order of business was to recite the mission statement of the School, which was done by Mr. Friess.

APPROVAL OF AGENDA

The next order of business was to approve the Agenda for the meeting included in the Board’s packet circulated prior to the meeting (the “Board Packet”). Upon motion duly made and seconded, the Board unanimously approved the Agenda as presented in the Board Packet.

APPROVAL OF PURCHASE AGREEMENT

The next order of business was to approve the draft purchase agreement for the school’s proposed purchase of property as presented in the Board Packet. Mr. Kepler went over the purchase agreement with the Board and answered questions. It was proposed to remove the language in Section 4.5 of the draft stating that the School approved the subdivision that was included as an exhibit, as there were questions regarding a common area designation. Also discussed was the need to fill in blanks regarding the total square footage and acreage of the property proposed to be purchased. Upon motion duly made and seconded, the Board unanimously approved the draft purchase agreement as presented in the Board Packet, with the removal of the approval in Section 4.5 and subject to having the information filled in.

**APPROVAL OF URBAN HOMEWORKS PROPOSED LLC AS NON-PROFIT
LANDLORD**

The next order of business was to approve the School’s working with Urban Homeworks, through an LLC to be newly-formed by them, to act as the non-profit unaffiliated building

corporation to hold title to the School's proposed facility and lease same to the School, as presented in the Board Packet. Mr. Kepler went over the outlines of the proposed arrangement, how it would work in practice, and other matters with the Board and answered questions. After discussions with counsel, it was determined that Urban Homeworks would be a good fit to act as the School's landlord. Upon motion duly made and seconded, the Board unanimously resolved as follows: (i) approving in concept working with Urban Homeworks, through an LLC to be newly-formed by them, to act as the non-profit unaffiliated building corporation to hold title to the School's proposed facility and lease same to the School; (ii) authorizing Mr. Friess, Ms. Ford and Mr. Zigrino to negotiate at lease a 30-year lease with the newly-formed LLC for the facility; and (iii) to reimburse Urban Homeworks for reasonable legal fees incurred in conjunction with their purchase of the property.

APPROVAL OF WORKING WITH HAM LAKE

The next order of business was to discuss approving the City of Ham Lake to act as the issuer of the bonds to be used to fund the real estate purchase and construction of the School's proposed new facility. Upon motion duly made and seconded, the Board unanimously authorized Mr. Friess, Ms. Ford and Mr. Zigrino to work with the City of Ham Lake and their processes in conjunction with their proposed issuance of revenue bonds to fund the School's proposed new facility.

COMMUNITY COMMENT

The next order of business was to hear comments from community members. No community members were present.

ADJOURNMENT

The next order of business was to discuss the adjournment of the meeting. On motion made and duly seconded, the Board of Directors unanimously approved to adjourn the meeting at approximately 5:12 p.m.

Respectfully submitted,

Kenneth D. Zigrino, Secretary