



ATHLOS SPARTANS

**Athlos Leadership Academy
& Spartan Innovation
Building Corporation
MN Charter District #4011
Special Board Meeting Minutes
September 22, 2015
3:45 PM- Conference Room**

CALL TO ORDER

A joint meeting of the Athlos Leadership Academy School Board and Spartan Innovation Building Corporation was called to order by Ann DeGroot, Chair of the Athlos Leadership Academy board at 3:45 PM.

ROLL CALL

Athlos Leadership Academy Board Members Present:

Ann DeGroot- Board Chair

Virginia Anderson- Board Member

Kit Murley-Henspeter- Board Member

Athlos Leadership Academy Board Members Absent:

Farhiyo Olow

Jan Ficken

Spartan Innovation Building Corporation Board Members Present:

Johan Gjenvick- Board President

Julia Classan-

Ann DeGroot

Others Present:

Bruce Sorensen-Piper Jaffray

Ellen McVeigh-Legal Counsel

Julie Brown-Board Clerk (last 20 minutes of meeting)

DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest declared.

BUSINESS

Bruce Sorenson presented to the board on next steps in the bonding process including financing timing and schedules.

The following resolution was presented to the board for adoption by the Athlos Leadership Academy board of directors and the Spartan Innovation Building Corporation board of directors. The motion to adopt the resolution was made by Johan Gjenvick and seconded by Virginia Anderson. Motion was approved unanimously.

DECLARATION OF OFFICIAL INTENT WITH RESPECT TO REIMBURSEMENT OF TEMPORARY ADVANCES MADE FOR CAPITAL EXPENDITURES TO BE MADE FROM SUBSEQUENT BORROWINGS

WHEREAS, Treasury Regulation §1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Issuer (as hereinafter defined) or its conduit borrower make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, the Issuer (as hereinafter defined), Spartan Innovation Building Corporation, is a Minnesota nonprofit corporation which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as a supporting organization of Athlos Leadership Academy, a Minnesota nonprofit corporation which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, the purpose of Issuer is to acquire real estate by means of borrowing the proceeds of Obligations, to purchase and operate a facility for lease to Athlos Leadership Academy for use as a public charter school in Minnesota; and

WHEREAS, the Boards of Directors of Issuer and School wish to ensure compliance with the Reimbursement Regulations and hereby resolve as follows:

Section 1. Definitions. The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to be used to reimburse the School for advances of payments to pay said Capital Expenditures. "To allocate" means to make such an allocation.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"Declaration of Official Intent" means a written declaration that the Borrower intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Issuer" means Spartan Innovation Building Corporation that is expected to borrow funds from the actual issuer of the Obligations.

"Reimbursement" means the restoration to the School of money temporarily advanced from other funds, including moneys borrowed from other sources, of the School to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations, the proceeds of which will be used in part to reimburse the School for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the School.

"Reimbursement Regulations" means Treasury Regulation §1.150-2 and any amendments thereto or superseding regulations, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the School for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Sections 103 and 141 to 150 of the Code.

Section 2. Declaration of Official Intent.

(a) The Issuer declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by Issuer, in a maximum principal amount to be determined.

(b) The Capital Expenditures to be reimbursed are to be used to finance the costs of the purchase of real estate located in Brooklyn Park, Minnesota, which shall be leased to Athlos Leadership Academy for use as a public schoolhouse.

Section 3. Reasonable Expectations. The Issuer does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

ADJOURNMENT

Meeting adjourned at 5:30 PM.