

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

**Held April 1, 2016**

Minutes of a Special Meeting of the Board of Directors of Parnassus Preparatory School, a Minnesota non-profit corporation (the “Company” or the “School”), held on April 1, 2016 at Parnassus Preparatory School, 11201 96<sup>th</sup> Street, Maple Grove, Minnesota.

Present at the meeting were directors Greg Friess, Ken Zigrino, Barb Rose, Nancy Rigby and Heather Ross. Also present were Ms. Ford, the School’s Executive Director, and Pete Deanovic and Paul Donovan from the School’s landlord, Buhl Investors.

The meeting was called to order by Mr. Friess at 4:06 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 CONSENT AGENDA**

The next order of business was to approve the items on the Consent Agenda for the meeting as presented in the Board Packet. It was proposed to remove the approval of the Lindquist & Vennum engagement letter from the Consent Agenda and discuss it separately under Items Removed From Consent. Upon motion duly made and seconded, the Board unanimously approved such removal from the Consent Agenda as presented in the Board Packet.

**ITEMS REMOVED FROM CONSENT**

The next order of business was to approve the Lindquist & Vennum engagement letter as presented in the Board Packet. A discussion ensued, and it was proposed to change the focus of the representation stated in the letter to “in connection with real estate matters.” Upon motion duly made and seconded, the Board unanimously approved the Lindquist & Vennum engagement letter as presented in the Board Packet, with the above-noted change, and authorized Ms. Ford and Mr. Friess to execute the engagement letter on behalf of the School.

## **LONG RANGE FORECAST**

The next order of business was to discuss updating the School's long-range forecast in connection with the real estate matters being discussed. It was the sense of the Board to authorize the finance committee to update the School's long-range forecast as needed in connection with the real estate matters being discussed, subject to Board approval. No formal action was taken.

## **PRESENTATION BY BUHL INVESTORS**

The next order of business was to hear a presentation by Pete Deanovic and Paul Donovan from the School's landlord, Buhl Investors, regarding their ideas for a possible real estate transaction whereby the School's facility could be purchased and built out with the proceeds of a bonding initiative by an unaffiliated building company and in connection with which the School would enter into a 30-year lease for the built-out facility with such building company. Various items were presented, including without limitation the landlord's engagement of an architectural firm to present a master build-out plan, the form such a transaction might take, as well as other matters. It was the sense of the Board that Ms. Ford be the point person on design and similar matters, and that Buhl Investors work through her. No formal action was taken.

## **DISCUSSION OF REAL ESTATE LEASE ITEMS**

The next order of business was to discuss the negotiation of a 30-year lease for the built-out facility contemplated by the proposed real estate transaction discussed above. Upon motion duly made and seconded, the Board unanimously authorized Mr. Friess and Ms. Ford to negotiate the terms of any such 30-year lease at the appropriate time with the participation and advice of Craig Keppler of Lindquist & Vannum, the School's real estate counsel.

## **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 4:24 p.m.

Respectfully submitted,

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Kenneth D. Zigrino, Secretary