

**Nova Classical Academy
Board of Directors Meeting Minutes
Special Meeting
September 26, 2011**

Directors Present: Jason Belter, John Bujan, Tom Corrigan, Brandon Foat, Damon Fraser, Andrea Johnson, Dianne Krizan, Becky Lund, Teresa Taggart

Directors Absent: Karen Groppe, Mark Miller

Advisors Present: Brian Bloomfield, Karl Jentoft, Bruce Sorenson, Craig Kepler, members of the Friends of Nova board

Others in Attendance: Nova parents

I. Call to Order

The meeting was called to order at 6:31 PM. Damon Fraser led the meeting.

II. Approval of Agenda

Mr. Belter moved to approve the agenda with the addition of public comment after the action items. Ms. Lund seconded. The motion passed unanimously.

III. Action Items

a. Approve Executive Director Goals

Mrs. Krizan, "Resolved that the Board approve the Executive Director goals for Brian Bloomfield for the 2011-12 school year as presented, with the modification that 'Use formative and summative instructional data to improve student performance' be moved to the Executive Director responsibilities." Mr. Belter seconded. There was discussion. The motion passed unanimously.

b. Approve POS and Other Facilities Related Pieces

Mr. Fraser, "The undersigned, constituting at least a quorum of the Members of the Board of Directors of Nova Classical Academy, a Minnesota non-profit corporation (the "**Charter School**"), do hereby duly adopt the following resolutions at a meeting properly noticed for such purpose. All capitalized terms below shall have the same meaning assigned to such terms in the Trust Indenture between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "**Issuer**") and U.S. Bank National Association ("**Trustee**") for the Charter School Revenue Bonds issued on behalf of the Charter School.

RECITALS

WHEREAS, the Charter School desires to enter into a Loan Agreement (the "**Loan Agreement**") between the Borrower and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "**Issuer**") whereby the Borrower will borrow an amount not to exceed \$18,375,000.00, in accordance with Issuer's Housing and Redevelopment Authority of the City of Saint Paul, Minnesota Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A (the "**Series A Bonds**") and Series 2011B (the "**Series B Bonds**") (collectively, the "**Bonds**"), for substantially the following purposes: (a) acquisition of the real property (the

“Land”) by Borrower, consisting of approximately 4.09 acres of land, plus related easement rights, located at 1415 Mercer Way in the City of St. Paul, Minnesota, (b) the construction on the Land of a new schoolhouse (the **“Facility”**) containing approximately 92,400 square feet, to be used for a public K-12 charter school (the **“Project”**) (c) funding a Bond Reserve Fund and other reserve funds as necessary, (d) paying any capitalized interest on the Bonds, and (e) paying certain issuance expenses; and

WHEREAS, the undersigned members of the Board of Directors (the **“Board”**) of the Charter School have determined that the financing of the Project and the loan of the proceeds of the Bonds is in the best interests of the Charter School;

WHEREAS, in furtherance of the Project the undersigned members of the Board have reviewed and determined that it is necessary to authorize the execution any document deemed necessary by Issuer or Piper Jaffray & Co. (the **“Underwriter”**), the underwriter for the Bonds, and revised by legal counsel for the Charter School, including without limitation the following (or similar instruments):

- (a) a Promissory Note (the **“Note”**), a Loan Agreement (the **“Loan Agreement”**), a Mortgage, Security Agreement and Assignment of Leases (the **“Mortgage”**), and other documents evidencing the obligation of Borrower to repay the Loan, all of which will be dated as of the closing of the financing, anticipated to be approximately October 14, 2011 (collectively, the **“Loan Documents”**);
- (b) a Bond Purchase Agreement (the **“Bond Purchase Agreement”**) between the Issuer, the Charter School, the Borrower and the Underwriter;
- (c) a Continuing Disclosure Agreement (the **“Disclosure Agreement”**) between the Charter School, the Borrower and the Trustee, as dissemination agent;
- (d) offering materials relating to the Bonds, which include a Preliminary Official Statement (the **“Offering Materials”**); and
- (e) all such other agreements, instruments, certificates and documents referred to in and contemplated by the Bonds, the Loan Agreement, the Disclosure Agreement, the Bond Purchase Agreement, and a Trust Indenture (the **“Indenture”**) between the Issuer and Trustee; and

The foregoing will collectively be referred to herein as the **“Bond Documents”**)

- (f) the Development and Purchase and Sale Agreement, dated September 26, 2011, by and between the Issuer and the Borrower, by which the Borrower will purchase the Land from the Issuer and agree to certain restrictions concerning use of the Land; and
- (g) the lease by and between the Charter School, as tenant, and the Borrower, as Landlord, by which the Charter School will lease the completed Project from the Borrower and occupy the same for the purpose of operating a K-12 public charter

school, which lease will be assigned by Borrower as additional security for the Loan in accordance with; and

- (h) the Pledge and Covenant Agreement (the “**Pledge**”) by which the Charter School will pledge, as security for the Loan, an interest in all of the revenue received by the Charter School from state, federal or other sources for its use in operating the school; and
- (i) the Intercreditor Agreement (the “**Intercreditor Agreement**”) by and between Anchor Bank (“**Anchor**”), the Trustee, the Charter School and the Borrower.

WHEREAS, members of this Board, with assistance from counsel, other pertinent representatives and appropriate Charter School officers and administrators, have reviewed the Offering Materials, and drafts of the same as and when they are prepared, for accuracy and completeness; and

WHEREAS, the Board acknowledges that the Offering Materials contain information concerning the Charter School, its operations, and relevant financial information, which information has been provided by the Charter School and/or its officers and administrators, which will be relied upon by purchasers of the Bonds and the Underwriter, and used by the Underwriter in connection with the marketing and sale of the Bonds.

RESOLUTIONS

NOW, THEREFORE, BE IT RESOLVED, as follows:

Resolution 1: Approval of the Project; Retention of Piper Jaffray & Co. The Board hereby approves of the Project and the use of the proceeds from the Loan Agreement and the Bonds in furtherance of the Project. The Board of Directors also hereby ratifies and approves the retention of the Underwriter to serve as underwriter agent with respect to the Bonds.

Resolution 2. Approval of the Bonds; Approval of Subsequent Changes in Terms. The Board hereby approves the issuance of the Bonds in an aggregate principal amount not to exceed \$18,375,000.00 as set forth in the Bond Documents. Principal and interest on the Bonds shall be paid on the dates and in the approximate amounts set forth in the Bond Documents. The Bonds shall bear interest at rates per annum which will produce a true interest cost not in excess of 7.75%. The purchase price to be paid for the Bonds shall be such that the aggregate underwriter's discount with respect to the Bonds shall not exceed 1.75% of the principal amount of the Bonds. The Bonds shall be issued with substantially the terms as provided above, with such changes in terms as provided in the final Bond Documents as may be approved by the Board of the Charter School. Execution of said final Bond Documents by an authorized officer of the Charter School or any other member of the Board, in his absence, shall constitute full approval of such changes on behalf of the Board.

Resolution 3. Document and Transactions Approval. The Bonds Documents, and all other related agreements, certificates and documents referred to therein and all the transactions contemplated thereby are hereby approved in all material respects, and the Chairperson, Secretary and/or Treasurer of the Board, or any other officer authorized or required to execute

documents such as the Bond Documents on behalf of the Board and for the Charter School are authorized to execute and deliver any and all said documents when the same are finalized. In the event that any of the Chairperson, Secretary and/or Treasurer of the Board is not available to execute and deliver the Bond Documents or any other instrument or certificate necessary to complete the transaction contemplated by the Bonds, then any other member of the Board shall have the authority to execute and deliver such document, instrument or certificates as are necessary and desirable in order to complete the financing transaction.

Resolution 4. Declaration of Official Intent. Expenditures in furtherance of the Project are hereby authorized to be made from available funds on hand until proceeds of the Bonds become available. The Board of Directors on behalf of the Charter School hereby declares its official intent under Treas. Reg. Section 1.150-2 to reimburse said expenditures with proceeds of the Bonds.

Resolution 5. Ratification. All actions heretofore undertaken by Charter School staff prior to the date hereof in connection with preparation of any Offering Materials, the preparation of the Bond Documents, the issuance of the Bonds and the undertaking of the Project are hereby ratified and approved in all material respects.

Resolution 6. The Lease and Intercreditor Agreement. The Board of Directors approves the Lease and the Intercreditor Agreement and authorizes the Board Chair of the Charter School to cause the same to be executed on behalf of the Charter School.

This Resolution may be executed by facsimile or counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Resolution. The undersigned have executed this Resolution as of the respective dates set forth below.” Mrs. Krizan seconded. There was discussion. Mr. Belter, Mr. Bujan, Mr. Corrigan, Mr. Foat, Mr. Fraser, Mrs. Krizan, Ms. Lund voted in favor. Mrs. Taggart voted against. Ms. Johnson abstained. The motion passed.

c. Other Facility Related Issues and Action Items

Mr. Fraser, “Resolved that the Nova Board of Directors confirms the representations as found in the September 27, 2011 (received on September 26, 2011) letter from LarsonAllen, LLP.” Mr. Belter seconded. There was discussion. Mr. Belter, Mr. Bujan, Mr. Corrigan, Mr. Foat, Mr. Fraser, Ms. Johnson, Mrs. Krizan, Ms. Lund voted in favor. Mrs. Taggart abstained. The motion passed.

IV. Public Comment

There was public comment.

V. Next Meeting Date/Agenda Items

Our next meeting should be our regular October (10/24) meeting.

VI. Adjournment

Ms. Lund moved to adjourn. Mr. Fraser seconded. The motion passed unanimously. The meeting adjourned at 8:00 PM.

Minutes submitted by Becky Lund.