

Meeting Book - Foundation Academies July 6, 2018 Board Meeting

Foundation Academies Board Meeting

I. Opening Items

A. Call The Meeting to Order

Allan Kehrt called a meeting of the board of trustees of Foundation Academy Charter School to order on Friday, July 6, 2018, at 9:02 AM in Room G35 (Basement) of 363 West State Street, Trenton, NJ 08618. Present- Allan Kehrt, Todd Kent, Patrick Hall, Paris McLean, Stephen Silverman, Jacqui Griffith. Absent - Grecia Montero, Jessica Gamble

Presented
by: Mr.
Allan Kehrt

B. Pledge Of Allegiance

Presented
by: Mr.
Allan Kehrt

C. Record Attendance and Guests

Staff present: Jacqueline Bonk and Rachael Binz, in the capacity of secretary to the board. Public present: none

D. Sunshine Law

In accordance with the New Jersey Open Public Meetings Act, notice of this meeting of the Foundation Academy Charter School Board of Trustees has been given by having the date, time and place thereof posted in the Trenton Times and Trentonian newspapers. Formal action may take place at this meeting.

Presented
by: Mr.
Allan Kehrt

E. Public Participation

II. Consent Agenda Items

A. Approve FACS Omnibus Resolution re 22 Grand St Acquisition and NJEDA Financing

Vote

RESOLUTION OF FOUNDATION ACADEMY CHARTER SCHOOL A NJ NONPROFIT CORPORATION AUTHORIZING THE ACQUISITION OF CERTAIN PARCELS OF REAL PROPERTY LOCATED AT AND SURROUNDING 22 GRAND STREET, TRENTON AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE BY THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY OF ITS BONDS TO FINANCE VARIOUS CAPITAL PROJECTS TO BE LEASED TO FOUNDATION ACADEMY CHARTER SCHOOL A NJ NONPROFIT CORPORATION

WHEREAS, Foundation Academy Charter School A NJ Nonprofit Corporation (the "School") is a public charter school and nonprofit corporation operating in the City of Trenton, Mercer County, New Jersey (the "City"); and
WHEREAS, The Church of Sacred Heart of Trenton, N.J. (formerly Divine Mercy Parish, LLC) (the "Owner") is the fee owner of that certain real property and improvements thereon located in the City known as a portion of 22 Grand Street (Block 17602, Lot 9), 201 Adeline Street (Block 17602, Lot 10), 719 Cass Street (Block 17301, Lot 47), 41 Grand Street (Block 17301, Lot 68) and 43-45 Howard Street (Block 17301, Lots 43 and 44) (collectively, the "Property") and currently leases a portion of such Property to the School; and
WHEREAS, the School has determined that it would be beneficial to acquire the Property for use in support of its operation of a public charter school thereon; and
WHEREAS, the Owner desires to sell the Property to the School for a purchase price of \$1,600,000 (the "Purchase Price") and in accordance with the other terms and provisions of a Purchase and

Sale Agreement with the School (the "Church PSA"); and WHEREAS, the School has determined that the school facilities located on the Property are in need of rehabilitation and expansion and, in order to provide for such rehabilitation and expansion on the most cost effective terms, to participate in a tax-exempt financing transaction; and

WHEREAS, The Friends of Foundation Academy, Inc. ("FOF") is a nonprofit corporation formed and operating for the purpose of providing supportive services to the School; and

WHEREAS, FOF has made application to the New Jersey Economic Development Authority (the "Authority") for a loan in the approximate amount of \$14,320,000 (the "Loan") to finance (i) the purchase of the Property; (ii) the demolition of a building; (iii) reconstructing, renovating and equipping the existing facilities and the construction of an addition to the school building; (iv) paying certain costs of issuing the Bonds (as defined below); (v) paying a portion of the interest accruing on the Bonds during the renovation and installation period; and (vi) funding deposits to the debt service reserve fund (collectively referred to hereinafter as the "Project"); and

WHEREAS, it is expected and intended that the Authority will fund the Loan with the proceeds of Charter School Revenue Bonds (Foundation Academy Charter School Project) in a par amount equal to the principal amount of the Loan (the "Bonds"); and

WHEREAS, it is expected and intended that the Bonds will be tax-exempt and will be sold at public sale by RBC Capital Markets, LLC (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into among the Authority, FOF and the Underwriter, and a preliminary and final official statement (collectively, the "Official Statement"); and WHEREAS, the Bonds will be primarily secured by a mortgage and an assignment of the Lease (as defined below) and all revenue or receipts to be derived from the Lease; and

WHEREAS, in order to facilitate the financing of the Project, the School desires to authorize (i) the Project; (ii) the execution and delivery of the Church PSA; (iii) the execution and delivery of a Purchase and Sale Agreement with FOF pursuant to which the School will sell the Property to FOF (the "FOF PSA"); (iv) the execution and delivery of a Lease Agreement with FOF for the Property, pursuant to which the School will make rent payments in an amount sufficient to enable FOF to make debt service payments on the Loan (the "Lease"); (v) in connection with the issuance of the Bonds, to authorize the execution and delivery of (a) a letter of representations with respect to the Bond terms disclosed in the Bond Purchase Agreement (the "Letter of Representations"), (b) the Preliminary and Final Official Statement, and (c) a Continuing Disclosure Agreement among U.S. Bank National Association, FOF and the School (the "Disclosure Agreement") and such other documents, certificates, instruments or agreements as may be necessary or appropriate to market, issue, sell or secure the Bonds; and (vi) any other actions necessary or reasonable to effect the transactions contemplated herein;

NOW THEREFORE, BE IT RESOLVED BY FOUNDATION ACADEMY CHARTER SCHOOL A NJ NONPROFIT CORPORATION as follows:

Section 1. The above recitals are incorporated herein by reference.

Section 2. The School hereby approves and authorizes the acquisition of the Property for the Purchase Price and further authorizes investigative and environmental assessment work in connection therewith.

Section 3. The School hereby approves the Church PSA, in substantially the form presented herewith and authorizes the execution and delivery of such Church PSA. Each of the Chief Executive Officer, Board President or School Business Administrator (each an "Authorized Officer") of the School are each hereby authorized to execute and deliver the Church PSA and all documents necessary to convey the Property to the School, and such Authorized Officer's signature is to be conclusive evidence of such approval.

Section 4. Each Authorized Officer is hereby further authorized to take such other actions or to execute such documents, instruments, affidavits, agreements or certificates as may be deemed necessary or desirable to acquire the Property from the Owner, all in furtherance of authorizations set forth in this Resolution.

Section 5. The School hereby approves the Project and authorizes the undertaking of the Project by FOF.

Section 6. In order to facilitate the financing of the Project and to continue to operate or to commence operations of the Project facilities, the School hereby approves and authorizes the sale of the Property to FOF and further authorizes leasing the Property back from FOF.

Section 7. Each of the Authorized Officers are hereby authorized to execute and deliver the FOF PSA, the Lease, and any related documents, with FOF as may be necessary or appropriate to consummate the transactions authorized herein, upon such terms as shall be approved by such Authorized Officer, in consultation with special counsel.

Section 8. Each Authorized Officer is hereby further authorized to take such other actions or to execute such documents, instruments, affidavits, agreements or certificates as may be deemed necessary or desirable to transfer the fee interest in the Property to FOF, all in furtherance of authorizations set forth in this Resolution.

Section 9. Each Authorized Officer is further authorized to approve, execute and deliver the Letter of Representations in substantially the form presented herewith, the Preliminary Official Statement in substantially the form presented herewith, which preliminary Official Statement shall be deemed final upon sale of the Bonds, and the Disclosure Agreement in substantially the form presented herewith, and any related documents, subject to the review and approval of special counsel.

Section 10. Each Authorized Officer is further authorized to execute any certificates, agreements, or other documents and take any actions determined to be necessary or desirable by such Authorized Officer, in consultation with special counsel, to facilitate the financing and construction of the Project in accordance with the terms of this Resolution.

Section 11. Any prior action taken by an Authorized Officer on behalf of the School in connection with the Church PSA, the FOF PSA, and the Lease or to facilitate the financing of the Project in accordance with the transactions authorized by this Resolution are hereby ratified and affirmed in all respects.

Section 12. This Resolution shall take effect immediately

1. July 6 omnibus resolution re 22 Grand st acquisition 2.pdf

III. Resolved/Motion/Roll Call Vote

Patrick Hall made a motion to RESOLVED that the Board of Trustees accept the recommendation to the Chief Executive Officer to approve the above- identified consent agenda item numbered 070618.II.A. Jacqui Griffith seconded the motion. The board voted unanimously to approve the motion.

IV. Appendices

V. Closing Items

Stephen Silverman made a motion to Adjourn Meeting. Todd Kent seconded the motion. The board VOTED unanimously to approve the motion. There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:05 AM. Respectfully Submitted, R. Binz