

# ALBUQUERQUE SCHOOL OF EXCELLENCE

## GOVERNING COUNCIL SPECIAL MEETING AGENDA

### MEETING DATE and LOCATION

TIME /DATE : 10:00 A.M. (MST) on Monday, May 4th, 2020

LOCATION : Online. Governing Board members and individuals from public can participate this meeting through the following zoom link, Meeting ID, and Password.

<https://zoom.us/j/4199919127?pwd=NTVyUTFnSHISSmxSOEcxS0VGM1hvdz09>

Meeting ID: 419 991 9127 Password: 770351

### AGENDA ITEMS

- I. Attendance
- II. Call to order, establishment of quorum
- III. Public Comments
- IV. (Action) Approval of Current Agenda Items
  - a. Removal/Moving of action and discussion items
  - b. Addition of new discussion items
- V. (Action) Approval of previous GC meeting minutes
  - a. Removal/Moving of action and discussion items
  - b. Addition of new discussion items (Action)
- VI. (Action) APPROVAL OF RESOLUTION NO.2020-2 RESCINDING RESOLUTION NO. 2020-1 REGARDING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LA PAZ, ARIZONA OF ITS EDUCATION FACILITY LEASE REVENUE BONDS; ACKNOWLEDGING THE REPLACEMENT OF SUCH BOND FINANCING WITH A PRIVATE PLACEMENT OF THE BONDS, THE PROCEEDS OF WHICH WILL BE LOANED TO HARMONY EDUCATION FOUNDATION (“HEF”), AS LESSOR; REAUTHORIZING THE EXECUTION AND DELIVERY OF (I) A LEASE AGREEMENT BETWEEN ALBUQUERQUE SCHOOL OF EXCELLENCE AND HARMONY EDUCATION FOUNDATION; (II) A MASTER COVENANT AGREEMENT, AND (III) OTHER DOCUMENTS TO BE EXECUTED IN CONNECTION WITH THE BONDS; AND AUTHORIZING ACTIONS RELATING THERETO.

I, the undersigned, hereby certify that I am the President of the Governing Council (“Council”) of the Albuquerque School of Excellence (“ASE”), a public charter school organized under the laws of the State of New Mexico.

I further certify that at a meeting of the Council of ASE, duly and legally called and held on May 4, 2020, the following Resolution (the “Resolution”) was duly adopted, at which time a quorum of such body was present and voting throughout, and at which such body had authority under the laws of New Mexico to adopt the Resolution; the Resolution has been duly recorded in said Council's minutes of said meeting; each of the officers and members of said Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; said meeting was open to the public as required by law, and public notice of the date, hour, place and subject of said meeting was given in accordance with the New Mexico Open Meetings Act, NMSA 1978 §§10-15-1, et seq, and the Resolution has not been rescinded, modified or amended and is in full force and effect on the date hereof:

WHEREAS, on January 25, 2020, the Council adopted Resolution No. \_\_\_\_\_ regarding a financing by the owner of ASE’s school facility, Harmony Education Foundation (f/k/a Charter School Solutions), a Texas nonprofit corporation (“HEF”), through the Industrial Development Authority of the County of La Paz, Arizona (the “Issuer”) for the issuance of its (i) tax-exempt Education Facility Lease Revenue Bonds (Harmony Education Foundation—Albuquerque School of Excellence Project) Series 2020A in an aggregate principal amount not to exceed Fifteen Million Dollars (\$15,000,000) (the “Series 2020A Bonds”), and (ii) Education Facility Lease Revenue Bonds (Harmony Education Foundation —Albuquerque School of Excellence Project) Taxable Series 2020B in an aggregate principal amount not to exceed Two Million Dollars (\$2,000,000) (the “Series 2020B Bonds,” and together with the Series 2020A Bonds, the “Bonds”) and the loan of the proceeds of the Bonds to HEF for the purpose of (i) financing or refinancing the costs of the acquisition of certain land and the construction, acquisition, equipping and improving of a portion of the ASE campus located at 13201 Lomas Boulevard NE, Albuquerque, New Mexico (the “Series 2020 Facility”) to be leased by HEF to ASE, (ii) making necessary improvements/repairs to certain portions of the existing Series 2016 Facility occupied by ASE on the ASE campus; (iii) funding a debt service reserve fund for the Bonds; (iv) paying capitalized interest on the Bonds; and (v) paying certain issuance expenses; and

WHEREAS, HEF and the Issuer originally contemplated a public sale of the Bonds, which creation of a debt service reserve fund and approval of an Official Statement and a Continuing Disclosure Undertaking;

WHEREAS, HEF and the Issuer now desire to replace such original public market transaction with a private placement of the Bonds with Sunflower Public Finance LLC, a wholly-owned subsidiary of Sunflower Bank, National Association (“SBNA”), the proceeds of which will be loaned to HEF for the purpose of (i) financing or refinancing the costs of the acquisition of certain land and the construction, acquisition, equipping and improving of the Series 2020 Facility to be leased by HEF to ASE, (ii) making necessary improvements/repairs to certain portions of the existing Series 2016 Facility occupied by ASE on the ASE campus; (iii) paying capitalized interest on the Bonds; and (iv) paying certain issuance expenses; and

WHEREAS, the Governing Council desires to rescind Resolution No. \_\_\_\_\_ and acknowledge the replacement of such Bond financing with the private placement of the Bonds with SBNA, which will no longer require a debt service reserve fund or approval of an Official Statement or Continuing Disclosure Undertaking;

WHEREAS, in connection with the financing, ASE desires to enter into a lease agreement with HEF (the "Lease") for the Series 2020 Facility for a primary lease term of thirty (30) years (the "Term") with a rental price as set forth in the Lease, with an option to convert the Lease into a Lease Purchase Agreement pursuant to the New Mexico Lease Purchase Act, NMSA 1978 22-26A-1 et seq., generally in the form attached to the Lease as Exhibit C; and

WHEREAS, the Council further finds that the transactions contemplated herein are an efficient use of public funds through (i) the development of critical educational facilities for ASE and its students, (ii) providing educational opportunities for additional students thereby reducing the number of at-risk students on the school's waiting list, (iii) providing a more efficient manner of project development, (iv) making necessary and desired repairs to the existing ASE campus/facility, and (v) enhancing the financial position of ASE; and

WHEREAS, the Council has determined that it is in the best interest of ASE to enter into the Lease with HEF and now desires to approve the Lease, authorize the execution, delivery and performance by ASE of the Lease, and take and authorize certain other actions in connection with the foregoing and the issuance of the Bonds; and

WHEREAS, ASE is willing to enter into the Lease and, at a future date, the Lease Purchase Agreement, all on the terms and conditions set forth in the Lease and the Lease Purchase Agreement; and

WHEREAS, the Council further wishes to authorize each of Osman Anderoglu, the Council President, and Mustafa Ayik, the Head Administrator (each individually, an "Authorized Representative"), to execute and deliver the Lease, a Master Covenant Agreement, and other necessary agreements, instruments and certificates as may be required in connection with the sale and the closing of the Bonds; and

WHEREAS, in connection with the Bonds, the Council desires to move its primary banking relationship to Sunflower Bank, National Association ("SBNA"), and to authorize the creation and establishment of one or more new accounts at SBNA (the "Accounts").

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING COUNCIL OF ALBUQUERQUE SCHOOL OF EXCELLENCE, as follows:

Section 1. The recitals to this Resolution are hereby approved and incorporated herein for all purposes, including the defined terms contained therein.

Section 2. The Council does hereby rescind Resolution No. \_\_\_\_\_.

Section 3. The Council does hereby acknowledge the private placement of the Bonds with SBNA and approves the form, terms and provisions of and the execution and delivery of (i) the Lease to be entered into between ASE and HEF; (ii) a Master Covenant Agreement; and (iii)

additional certificates as may be necessary and subject to the review of counsel and compliance with applicable laws; with such changes as the Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authorized Representative.

Section 4. ASE does hereby authorize the Authorized Representative to take all action necessary to move its banking relationship to SBNA, including, without limitation, to open Accounts of the Company, including an operating account, for the deposit or investment of Company funds at SBNA, as deemed appropriate by such Authorized Representative, and to execute and/or certify to such customary applications, agreements, signature cards, banking resolutions or consents as may be required by SBNA to open such Accounts, such applications, agreements and resolutions being hereby approved and adopted for all purposes as if set forth herein in full.

Section 5. ASE does hereby authorize the Authorized Representative to take all such actions and approve, execute and deliver all such agreements, instruments and other documents on behalf of ASE as he/she may deem necessary or desirable (as conclusively evidenced by the taking of such action or the execution and delivery of such agreements, instruments or other documents by the Authorized Representative in connection with (i) the Lease; (ii) the Master Covenant Agreement; (iii) additional items relating to the Lease or the Bonds; (iv) the Accounts; and (iv) any lawful extension, amendment or other modification thereof in order to effectuate the further purposes of this Resolution, including without limitation those documents specifically described in this Resolution. Upon execution and delivery, such agreements, instruments, and documents shall be the valid and binding obligations of ASE enforceable in accordance with their terms.

Section 6. All acts of the Authorized Representative authorized and directed herein are reasonably expected to benefit ASE directly or indirectly.

I further certify that the Council has found that the adoption of the foregoing Resolution is in the best interests of ASE and that this Resolution is within the power of the Council to pass.

IN WITNESS WHEREOF, I hereunto subscribe my name on this the 4th of May, 2020.

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Governing Council President  
Albuquerque School of Excellence

The mission of **Albuquerque School of Excellence** is to provide a safe and collaborative environment which will cultivate the academic and social development for all students regardless of their socio-economic status by emphasizing math, science, and technology for the purpose of students setting and meeting higher education goals.

The vision of **Albuquerque School of Excellence** is to enable students to succeed in school and have options to enter math, science and engineering careers. ASE is a college preparatory charter school focusing on math, science, and technology. Members of ASE believe that excelling in math and science prepares youth to succeed in college, the workplace, and the 21<sup>st</sup> century.