

# **NORTH STAR CHARTER SCHOOL, INC.**

An Arizona Nonprofit Corporation

## **Minutes of the Corporate Board Meeting**

**Tuesday November 24, 2015 11:00am**

**4200 N 99<sup>th</sup> Avenue**

**Phoenix, AZ 85037**

### **I. Meeting called to order at 11:02am by Kurt Huzar**

In Attendance- Kurt Huzar , President

Scott Phillips, Treasurer (via telephone)

Curtis C Jones, Trustee (via telephone)

Linda Mohr, Trustee (via telephone)

### **II. Action Items –**

A: Discussion and consideration of establishment of:

1. a day care program at the School to support students and the community; and
2. a culinary arts program at the School to expand educational and vocational opportunities for students.

**Motion** – by Kurt Huzar to establish a day care program at the School to support students and the community; and to establish a culinary arts program at the School to expand educational and vocational opportunities for students and to authorize the Corporation to enter into such contracts as may be necessary and desirable for the acquisition and development of new school facilities and the financing of such facilities using tax exempt bonds as more fully described in the SECOND AMENDED AND RESTATED CERTIFICATE OF RESOLUTION presented for consideration and approval by the Board and which, upon passage, are to be made a part of the Corporation's permanent corporate records.

2<sup>nd</sup> – Linda Mohr

**Vote** – Kurt Huzar – Yes

Scott Phillips - Yes

Curtis C Jones – Yes  
Linda Mohr – Yes

### **MOTION PASSED**

B: Discussion and consideration of issuing supplemental tax exempt education facilities bonds to fund the facilities required for the establishment of a day care and culinary arts program.

**Motion** – by Kurt Huzar to authorize the Corporation to issue supplemental tax exempt education facilities bonds to fund the facilities required for the establishment of a day care and culinary arts program as more fully described in the SECOND AMENDED AND RESTATED RESOLUTION DECLARING OFFICIAL INTENT OF NORTH STAR CHARTER SCHOOL, INC. FOR THE REIMBURSEMENT OF CAPITAL EXPENDITURES presented for consideration and approval by the Board and which, upon passage, are to made a part of the Corporation's permanent corporate records.

2<sup>nd</sup> – Curtis Jones

**Vote** – Kurt Huzar – Yes  
Scott Phillips– Yes  
Curtis C Jones – Yes  
Linda Mohr – Yes

### **MOTION PASSED**

### **III. Adjourn**

**Motion** – by Kurt Huzar to adjourn the meeting

2<sup>nd</sup> – by Scott Phillips

**Vote** – Kurt Huzar – Yes  
Scott Phillips - Yes  
Curtis C Jones – Yes  
Linda Mohr – Yes

### **MOTION PASSED**

Meeting adjourned at 11:15 a.m.

Dated this 24th Day of November, 2015

North Star Charter School, Inc.  
Board of Trustees

By:

  
Kurt Huzar, Chairman



**SECOND AMENDED AND RESTATED  
RESOLUTION DECLARING OFFICIAL INTENT  
OF NORTH STAR CHARTER SCHOOL, INC.  
FOR THE REIMBURSEMENT OF CAPITAL EXPENDITURES**

At a duly called meeting of the Corporate Board (the "Corporate Board") of North Star Charter School, Inc., an Arizona nonprofit corporation, authorized to conduct business in the State of Arizona (the "Borrower") held on the 24th day of November, 2015, the following resolution was duly passed:

WHEREAS, the Borrower desires to amend and restate to affirm and ratify the original Resolution Declaring Official Intent of North Star Charter School, Inc. for the Reimbursement of Capital Expenditures, dated October 27, 2014 (the "Initial Resolution"); and

WHEREAS, at a duly called meeting of the corporate board of the Corporation held on the 2nd day of April, 2015, the Corporation to amended and restated to affirm and ratify the Resolution (the "Amended Resolution") (the Initial Resolution, as amended by the Amended Resolution, shall hereinafter together be referred to as the "Series 2015 Resolution"); and

WHEREAS, it is the intent of the Corporation to further supplement, amend and ratify the Series 2015 Resolution; and

WHEREAS, the Borrower has an intent to finance the Project (as defined in Section 3. of this Resolution) through a borrowing from The Industrial Development Authority of the County of Pima (the "Issuer"); and

WHEREAS, the Internal Revenue Code of 1986 and the applicable regulations thereunder require the Issuer to take this action in connection with the payment of certain expenses in connection with the Project prior to the issuance of tax-exempt bonds in order to allow the Issuer to be reimbursed for such expenditures.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Corporate Board of the Borrower has determined to ratify and amend its Series 2015 Resolution.
2. This Resolution and the representations herein with respect to the reimbursement of the expenditures described in this Resolution are intended to be the statements of official intent as required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e) which generally state, but are not limited, to, a) that a declaration of official intent to reimburse the borrower for such expenditures are to be made out of proceeds of a subsequently issued borrowing; b) the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within 18 months of the payment of the expenditure, or, if longer, within 18 months of the date the project is placed in service or abandoned, but in no event more than three years after the expenditure is paid; and, c) that the expenditure be a capital expenditure or costs associated thereto.

3. The Corporate Board of the Borrower has determined that it is essential and necessary and in the best interests of Borrower to improve real property owned by the Borrower located in Maricopa County, Arizona, described more fully in Exhibit A, attached hereto (the "Project").
4. The Borrower intends to finance all or a portion of such acquisition through entering into a financing agreement, the interest on which is intended to be excludable from the gross income of the recipient investor(s) for federal income tax purposes.
5. The expenditures to be reimbursed pursuant to this Resolution are set forth in Exhibit B attached hereto and have been incurred within 60 days prior to the date of the Initial Resolution or will be incurred after the date hereof in connection with the acquisition but prior to executing the financing transaction.
6. Reimbursement shall be made from the proceeds of the financing transaction, and all reimbursed expenditures shall be capital expenditures as defined in Section 1.150-1(b) of the Regulations.
7. The maximum principal amount of debt expected to be issued for the Project is not to exceed \$3,000,000.00.
8. The Treasurer of the Corporate Board of the Borrower, or any other financial officer of the Corporate Board acting on behest of the Corporate Board, shall be responsible for making a written reimbursement allocation described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the financing transaction to reimburse the source of temporary financing used by the Corporate Board to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and records maintained by the Corporation, shall specifically identify and document the actual prior expenditure being reimbursed, or, in the case of reimbursement of a fund or account in accordance with Section 1.150-2, the fund or account from which the expenditure was paid. Such allocation shall be made within 30 days of the issuance of the financing.
9. The Borrower reasonably expects to be reimbursed for the expenditures set forth in this Resolution with the proceeds of tax-exempt debt to be issued by the Issuer subsequent to the date hereof, but this Resolution does not constitute a binding obligation to such debt issued on the Borrower's behalf.
10. This Resolution shall take effect immediately.

Resolution declared adopted

The undersigned duly qualified Director on the Corporate Board of North Star Charter School, Inc., an Arizona nonprofit corporation, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Corporate Board at a duly

called meeting held on the 24<sup>th</sup> day of November , 2015, the original of which resolution is part of the Board's minutes.

By:   
\_\_\_\_\_  
Scott Phillips, Director



**EXHIBIT A  
LEGAL DESCRIPTION OF PROPERTY**

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 20; THENCE SOUTH 88 DEGREES 47 MINUTES 32 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 20, 1285.00 FEET;

THENCE NORTH 01 DEGREE 12 MINUTES 28 SECONDS EAST, 33.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF INDIAN SCHOOL ROAD, MARKING THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01 DEGREE 12 MINUTES 28 SECONDS WEST, 22.00 FEET TO THE SOUTHEAST CORNER OF LOT 1, KAUFMAN AND BROAD AT THE VINEYARDS, RECORDED IN BOOK 377 OF MAPS, PAGE 50, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE CONTINUING NORTH 01 DEGREE 12 MINUTES 28 SECONDS WEST, ALONG THE BOUNDARY LINE OF SAID KAUFMAN AND BROAD AT THE VINEYARDS, 620.00 FEET;

THENCE NORTH 88 DEGREES 47 MINUTES 32 SECONDS EAST, CONTINUING ALONG SAID BOUNDARY LINE AND AN EASTERLY EXTENSION THEREOF, 1256.35 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF 99TH AVENUE;

THENCE SOUTH 00 DEGREES 50 MINUTES 18 SECONDS EAST, PARALLEL WITH, AND 33.00 FEET WEST OF, THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 20 AND ALONG SAID WESTERLY RIGHT-OF-WAY LINE, 382.60 FEET;

THENCE SOUTH 88 DEGREES 43 MINUTES 34 SECONDS WEST, 46.77 FEET;

THENCE SOUTH 78 DEGREES 33 MINUTES 21 SECONDS WEST, 72.38 FEET;

THENCE SOUTH 39 DEGREES 17 MINUTES 21 SECONDS WEST, 11.61 FEET;

THENCE SOUTH 82 DEGREES 44 MINUTES 22 SECONDS WEST, 53.67 FEET;

THENCE SOUTH 88 DEGREES 47 MINUTES 32 SECONDS WEST, PARALLEL WITH, AND 265.00 FEET NORTH OF, THE AFOREMENTIONED SOUTH LINE OF SECTION 20, 308.28 FEET;

THENCE SOUTH 00 DEGREES 50 MINUTES 18 SECONDS EAST, PARALLEL WITH, AND 520.00 FEET WEST OF, SAID EAST LINE OF THE SOUTHEAST QUARTER, 139.54 FEET;

THENCE SOUTH 87 DEGREES 4 MINUTES 44 SECONDS WEST, 37.14 FEET;  
THENCE SOUTH 00 DEGREES 51 MINUTES 21 SECONDS EAST, 49.35 FEET;

THENCE SOUTH 56 DEGREES 50 MINUTES 08 SECONDS WEST, 38.68 FEET;

THENCE SOUTH 01 DEGREE 12 MINUTES 28 SECONDS EAST, 22.00 FEET TO THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LINE OF INDIAN SCHOOL ROAD;

THENCE SOUTH 88 DEGREES 47 MINUTES 32 SECONDS WEST, ALONG SAID RIGHT-OF-WAY LINE, 694.94 FEET TO THE POINT OF BEGINNING.

**EXHIBIT B**  
**REIMBURSEABLE EXPENDITURES**

1. Capital expenditures or costs associated with the acquisition and purchase of the real property to be owned by the Borrower.
2. Capital expenditures or costs associated with the construction of improvements to the real property to be owned by the Borrower.
3. Capital expenditures or costs to finance the acquisition and improvement of the real property to be owned by the Borrower.
4. Capital expenditures or costs associated with any acquisition or purchase of furniture, fixtures, and equipment related to the Project.



## **SECOND AMENDED AND RESTATED CERTIFICATION OF RESOLUTION**

(Authorizing Resolution for Project and Bond Financing)

At a duly called meeting of the Board of Directors (the "Board") of NORTH STAR CHARTER SCHOOL, INC., an Arizona nonprofit corporation, (the "Corporation") authorized to conduct business in the State of Arizona as a charter school known as ARIZONA PREPARATORY ACADEMY (the "Charter School") held on the 24th day of November, 2015, the following resolution was duly passed:

WHEREAS, the Corporation is authorized under the Arizona Revised Statutes, its Articles of Incorporation, and its By-laws to acquire real and personal property for education purposes if necessary; and

WHEREAS, the Corporation is authorized under the Arizona Revised Statutes, its Articles of Incorporation, and its By-laws to obtain financing to defray the cost of purchasing any necessary property; and

WHEREAS, at a duly called meeting of the corporate board of the Corporation held on 27<sup>th</sup> day of October 2014, the Corporation determined it to be in the best interest of the School that the Corporation finance or refinance the Corporation's cost to acquire, construct, equip, rehabilitate and operate education facilities located in Maricopa County, Arizona (the "Project") in order to provide its educational program (the "Resolution"); and

WHEREAS, at a duly called meeting of the corporate board of the Corporation held on the 2nd day of April, 2015, the Corporation amended and restated to affirm and ratify the Resolution (the "Amended Resolution") (the Resolution, as amended by the Amended Resolution, shall hereinafter together be referred to as the "Series 2015 Resolution"); and

WHEREAS, it is the intent of the Corporation to further supplement, amend and ratify the Series 2015 Resolution; and

WHEREAS, the Board has determined that it is in the best interest of the education being conducted in the Charter School that the Corporation expand its educational operations and, in connection with such expansion, the Corporation, as applicable, finance or refinance the Corporation's cost to acquire, construct, equip, rehabilitate and operate additional education facilities located in Maricopa County, Arizona (the "Project"), in order to provide its educational program; and

WHEREAS, The Industrial Development Authority of the County of Pima (the "Issuer") will represent to the Corporation that it has been duly empowered to issue Educational Development Bonds for educational purposes and has approved the financing or refinancing, as applicable, of the Project subject to certain conditions set forth in the Loan Documents (as hereinafter defined) (the "Bond Financing").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Corporation has determined to supplement, amend and ratify the Series 2015 Resolution.

2. The Corporation is hereby authorized to expand its operations and purchase any property, including the Project, necessary and appropriate for its educational program including, without limitation, to construct educational facilities necessary or desirable for (a) the establishment of a child care facility at the Project and hire staff and procure any required licenses in connection therewith, and (ii) to construct educational facilities necessary or desirable for the establishment by the Corporation of a culinary arts program at the School.

3. The President of the Corporation, Kurt Huzar, is hereby directed to obtain any necessary or desirable property, including the Project, necessary and appropriate for its educational programs observing all necessary legal requirements.

4. The President of the Corporation, Kurt Huzar, is authorized, empowered and directed to sign on behalf of the Corporation any and all necessary contracts for the purchase or construction of any of the property needed to expand the educational program of the Corporation including any other instrument or document which may be necessary or expedient in connection with the Bond Financing as through the Issuer and to employ any consultants, attorneys, accountants, architects, etc. necessary to complete the Project.

5. The Corporation shall apply for and perform any and all acts necessary to obtain appropriate development Bond Financing for the Project through the Issuer.

6. The President of the Corporation, Kurt Huzar, is authorized, empowered and directed to sign on behalf of the Corporation any and all necessary applications, agreements, Promissory Notes, Security Agreements, and any other addenda, schedules, leases, UCC financing statements or other instruments in the form previously reviewed and approved issued by the Issuer (the "Loan Documents") and any other instrument or document which may be necessary or expedient in connection with the Issuer.

7. The Board hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the financing for the Project from adjusted gross income for general federal income tax purposes, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

Resolution declared adopted.

The undersigned duly qualified Director on the Board of North Star Charter School, Inc., an Arizona nonprofit corporation, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a duly called meeting held on the 24th day of November, 2015, the original of which resolution is a part of the Board's minutes.

By: 

Scott Phillips, Director