

THE ACADEMY

Learning Today, Leading Tomorrow

MINUTES

Board of Trustees Special Meeting
Thursday, November 13, 2014

CALL TO ORDER

THE ACADEMY BOARD OF TRUSTEES

The Academy Board of Trustees special meeting was called to order at 4:05 p.m., Thursday, November 13, 2014 at the McDermott, Will & Emery Office located at 4 Park Plaza, Suite 1700, Irvine, CA 92614.

ROLL CALL

Board of Trustees Present: Academy/Orangewood Staff Present:

William Healey

John Luker

Sandi Jackson

Chris Simonsen

Elim Kay

Gerardo Mouet

Chris Scheithauer

Deborah Vandell

Nicole Washington

Board of Trustees Absent:

Marian Bergeson

Susan Samuelli

PUBLIC COMMENT

Sandi Jackson opened the floor for public comment. No public comment was made.

SUBORDINATION AGREEMENT

John Luker provided a report on the Subordination Agreement with Farmers and Merchants Bank ("F&M"). John explained that as part of the Orangewood Real Property ("ORP"), LLC loan package, F&M is requiring The Academy Charter School to provide a Subordination Agreement for the existing lease. Therefore, if ORP, LLC defaults on the loan and Orangewood Children's Foundation cannot keep the payments on the loan current as guarantor, then F&M reserved the right under this agreement to take ownership of the property and liquidate the asset if necessary to repay the loan. However, F&M did state that they are not in the business of repossessing buildings and in the event that this type of situation did occur they would work with the school as much as possible to refinance. After review of the Subordination Agreement, Management's recommendation is for The Academy Board of Trustees to approve the agreement.

Sandi Jackson opened the floor for public comment. No public comment was made.

A motion was made by Nicole Washington, seconded by Sandi Jackson, and carried by a vote of 7-0 authorizing William Healey to sign the Subordination Agreement on behalf of The Academy Board of Trustees.

A motion was made by Elim Kay, seconded by William Healey, and carried by a vote of 7-0 to approve the Subordination Agreement with Farmers and Merchants Bank.

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ADJOURNMENT

A motion was made by Elim Kay, seconded by William Healey, and carried by a vote of 7-0 to adjourn the Academy Board of Trustees meeting at 4:20 p.m. The next regular Board meeting will be held on Tuesday, November 25th at 6:30 p.m. at The Academy located at 1901 N. Fairview Street, Santa Ana, CA 92706.


MARIAN BERGESON, SECRETARY