

## KEYS GRACE ACADEMY

**Minutes of a special meeting of the Board of Directors held on Tuesday August 2, 2016 at 7:05 p.m.**

A meeting of the Board of Directors (the “Board”) of KEYS Grace Academy (“KEYS”) was held in the General Office of KEYS Grace Academy located at 27321 Hampden Street, Madison Heights, Michigan.

The following members of the Board (the “Attending Members”) attended the meeting and were present throughout:

Chris Kattola, President  
Dr. Ramy Alosachie, Vice President  
Mrs. Mae Kouza, Treasurer  
Mrs. Zainab Hazimi, Secretary  
Ms. Farah Anoni, Trustee

Also present for the entire meeting was Natalie Deeb.

### **Call to order: Roll Call; Confirmation of Quorum; Waiver of Notice**

Ramy called the meeting to order at 7:05 and roll call was taken.

### **Approval of Agenda and Meeting Minutes from Previous Board Meeting**

Motion by Ramy and seconded by Zainab. Both the Agenda for the meeting and the Minutes of the Meeting of the Board of Directors held on June 29, 2016 (copies of which had been provided to all of the members of the Board in advance of the meeting) were unanimously approved by the Attending Members.

### **Management Report**

1. **Budget Update** – no update at this time
2. **Staffing Update** – Natalie updated the Board on the staffing updates. The following positions have been filled: (1) human resource director; (2) reading specialist; (3) two para-pros; (4) two first grade teachers; (5) two third grade teachers; (6) fourth grade teacher; and (7) fifth grade teacher.
3. **Parent Seminar** – no update at this time

### **Information Items**

1. **Community Garden Project** – USDA grant application in process
2. **Summer School Session I Report and Session II Plans** – Natalie provided the Board with an update. The Session II is beginning on August 8 and ending on August 18.

3. **Open House** – Scheduled for August 17 and August 24, 6 – 8 p.m.
4. **2016/2017 Enrollment** – registration and enrollment will be taking place during the scheduled open house.
5. **Library** – currently being furnished; books and resource supplies are being ordered.
6. **Building Renovations** – classroom renovations are underway.

**Action Items**

*None*

**New Business**

1. **Staffing Hires** – Zainab moved to approve the following new staff hires: Dr. Tim Morton; Christen Szajner; Jamie Jordan; Michelle King; Alyssa Allen; Tiffany Weidman; Taylor Boddy; Christine Youanes; Kira Petherick; and Allison E. Hoff. Ramy seconded the motion, which was unanimously approved by the Attending Members.
2. **September Cash-Flow Loan Resolution (SAAN)** – Ramy moved to approve a resolution to authorize the issuance of loan note up to \$250,000. Farah seconded the motion, which was unanimously approved by the Attending Members. Resolution is attached.
3. **Special Borrowers Counsel** – Ramy moved to authorize Chris Kattola to hire Clark Hill PLC, as special counsel for Cash Flow Loan. Farah seconded the motion, which was unanimously approved by the Attending Members.

**Extended Public Comment**

During the course of the meeting, there was no general public.

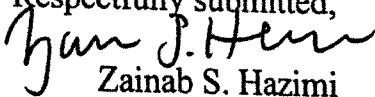
**Comments from the Board**

None of the Attending Members had any comments that had not already been expressed

**Future Meetings and Adjournment**

The next meeting is scheduled for August 31, 2016 at 6:30 p.m.

Ramy moved to adjourn the meeting at approximately 7:45 p.m. and Farah seconded the motion, which the Attending Members unanimously approved.

Respectfully submitted,  
  
Zainab S. Hazimi  
Recording Secretary

Attest:

**KEYS GRACE ACADEMY  
OAKLAND COUNTY, MICHIGAN**

A regular/Oakland meeting of the Board of Directors of Keys Grace Academy, County of Oakland, State of Michigan (the "Academy") was held at the Academy August 2, 2016 at 7:05 p.m., Local Time.

PRESENT: Members: Chris Kattola, Ramy Alosachie, Mae Kouza, Zainab Hazimi, Farah Anoni

ABSENT: Members: None

**RESOLUTION AUTHORIZING ISSUANCE OF NOTE  
IN ANTICIPATION OF STATE SCHOOL AID**

The following preamble and resolution were offered by Ramy Alosachie and supported by Farah Anoni.

WHEREAS, under the terms of Sections 504a and 1225 of Act 451, Public Acts of Michigan, 1976, as amended (the "Act"), a public school academy is authorized to borrow money for school operations or to pay previous loans obtained for school operations and issue its note therefor, pledging for the payment thereon monies to be received by it pursuant to the State School Aid Act of 1979, as amended (the "State Aid Act"), which note shall be a full faith and credit obligation of the Academy; and

WHEREAS, the amount of State School Aid appropriations to be allocated to the Academy pursuant to Section 20(2) of the State Aid Act, and to be paid to the Academy for the fiscal year ending June 30, 2017 (from October 2016 through August 2017), is approximately \$2,516,185.00 (the "2016/17" State Aid"); and

WHEREAS, the estimated amount of State School Aid to be appropriated to the Academy under the State Aid Act for the fiscal year ending June 30, 2017 has not been determined (the "2016/17 State Aid"); and

WHEREAS, the Academy must either be qualified or obtain prior approval for the issuance of the note from the Department of Treasury of the State of Michigan (the "Treasury"); and

WHEREAS, the Academy has determined it is in its best interest to borrow an amount not to exceed \$250,000 and issue one or more general obligation notes of the Academy therefore (the "Notes"); and

WHEREAS, the Academy also deems it advisable to authorize an Authorized Officer (as defined below) to accept an offer to purchase the Notes from one or more Purchasers (as defined

below) and negotiate and approve terms, and execute documents in connection with the sale and delivery of the Notes to the Purchasers.

THEREFORE, IT IS RESOLVED BY KEYS GRACE ACADEMY, OAKLAND COUNTY, MICHIGAN THAT:

1. Designation of Authorized Officers. The President, Secretary and Treasurer of the Board the Directors, or KEYS President Nathan Yousif (Kalasho) are each individually authorized and directed to take certain actions on behalf of the Academy as described below (each an "Authorized Officer").

2. Borrowing Authorized. Pursuant to Sections 504a and 1225 of the Act, and upon receiving approval of the Academy's Authorizing Body, as appropriate, the Academy shall borrow an amount not to exceed \$250,000 for school operating purposes and/or to pay previous loans obtained for school operating purposes. The final amount shall be determined by an Authorized Officer prior to the sale of the Notes. As determined in consultation with Note Counsel (as defined below), the final amount shall be determined by an Authorized Officer prior to the sale of the Notes and shall not exceed the lesser of \$ \_\_\_\_\_, or 50% of the anticipated 2016/17 State Aid.

3. Terms and Conditions. The Notes shall bear interest at the rate or rates determined by an Authorized Officer. The rate or rates shall not exceed the maximum rate permitted by law at the time of sale. The Notes shall be dated and shall be due and payable on the dates designated by an Authorized Officer. The Notes shall not be outstanding for a period exceeding 372 days. The Notes shall be payable in lawful money of the United States of America. The Notes may or may not be subject to optional redemption prior to maturity.

4. Pledge of State Aid. The Academy irrevocably pledges a portion of its remaining 2016/17 State Aid and, if necessary, a portion of its 2016/17 State Aid equal to the outstanding balance of the Notes including accrued interest thereon as security for repayment of the Notes (the "Pledged State Aid"). The Academy shall appropriate a sufficient amount of the Pledged State Aid to repay the principal of and interest on the Notes. In addition, the Academy irrevocably pledges its full faith and credit for payment of principal of and interest on the Notes. In case of the insufficiency of the Pledged State Aid, the Academy shall pay the Notes as a first budget obligation from any funds legally available for such purposes.

5. Negotiated Sale, Approval of Sale and Execution of Note. The Notes shall be sold pursuant to a negotiated sale. The Authorized Officer is authorized to accept an offer to purchase the Notes from one or more banks or other lending institutions (the "Purchasers"), execute the Notes and deliver the Notes to the Purchasers upon receipt of the purchase price for the Notes. The Authorized Officer is further authorized to negotiate, approve and execute required documents in connection with the sale and delivery of the Notes to the Purchasers. A negotiated sale was chosen by the Academy instead of a competitive sale. The negotiated sale was chosen because it allows flexibility in timing the sale and structure of the Notes in response to changing market conditions.

NOTE AUTHORIZING RESOLUTION

6. No Impermissible Uses of Note Proceeds. The Academy covenants, warrants and represents that none of the proceeds of the Notes will be used to finance the purchase, construction, lease, or renovation of property owned, directly or indirectly, by any officer, board member or employee of the Academy.

7. Department of Treasury. An Authorized Officer is hereby authorized and directed to make application to Treasury for and on behalf of the Academy for qualified status or for an order approving the issuance of the Notes, if applicable, and to pay any applicable fee, and to further do all things necessary on behalf of the Academy to obtain such Qualified Status or Order approving the issuance of the Notes.

8. Retention of Note Counsel. The law firm of Clark Hill PLC is hereby appointed as note counsel for the Academy with reference to the issuance of the Notes authorized by this Resolution (“Note Counsel”).

9. Tax Matters. The Authorized Officer is hereby empowered to designate the note as tax exempt under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In such case, the Board covenants to comply with existing provisions of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest on the Notes be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of the proceeds of the Notes and money deemed to be proceeds of the Notes. The Notes are not “qualified tax exempt obligations” for purposes of the deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

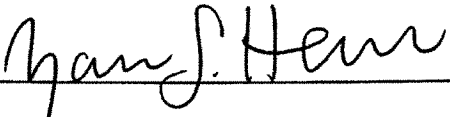
*[Remainder of Page Intentionally Left Blank]*

10. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

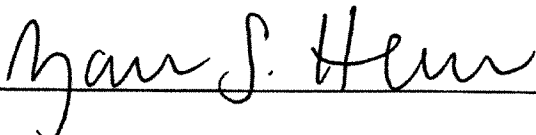
Ayes: Chris Kattola, Ramy Alosachie, Mae Kouza, Zainab Hazimi, Farah Anoni

Nays: None

RESOLUTION DECLARED ADOPTED.

  
Secretary, Board of Directors

The undersigned duly qualified and acting Secretary of the Board of Directors of Keys Grace Academy, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on July 27, 2016, the original of which is a part of the Board's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

  
Secretary, Board of Directors

NOTE AUTHORIZING RESOLUTION