



Tuesday, June 13, 2017
6:30 High School Performance Arts Center

1. Call to order at 6:30 pm
2. Establish quorum/Roll Call: Present: Tony Beardsley, Joe DeRouen, Alicia Knotts, Asele Mack, Anthony Porchia and Dave Russell. Absent: Howard Alsdorf
3. Pledge of Allegiance
4. Comments from the Public: None
5. Consent Agenda

- Approve minutes from May 2017, Regular School Board Meeting
- Approve May Financial Report
- Enrollment Report

A motion was made to accept the consent agenda for May 2017 by Joe DeRouen and a 2nd by Dave Russell and the motion passed 5 - 0

6. New Business

- Bond Presentation and Approval – Jill Drewyor- Mitchell / Williams: Mrs. Drewyor gave a presentation on the Resolution of the Board of Directors and the Resolution of the Manager (see attached) clearly outlining each item presented and answered questions from the Board. A Motion was made for the Board to pass the Resolution of the Board by Dave Russell and a 2nd by Anthony Porchia and the motion passed 5 – 0. A Motion was made for the Board to pass the Resolution of the Manager by Dave Russell and a 2nd by Joe DeRouen and the Motion passed 5 – 0.
- Barb Padgett Principal Report: Mrs. Padgett shared her reflections on how the High School has changed during the last 10 years. Going from one building in a church with a preschool to a full campus. Mrs. Padgett shared information on the potential new hires for the High School which will be voted on during the Personnel Section of the meeting.
- Matt Young Principal Report: Mr. Young shared the current projects at the K-8 campus. The HVAC for the gym is being installed and that a wall between two small rooms is being taken down to have a regular size classroom. Mr. Young shared that he will present his new hires at our July meeting. During the summer break there will be Ukulele, Spanish and Dance camps. Mr. Young is also working on procedures for after school activities with and without staff. They are also looking at what athletics will look like next year for AAA.
- Mr. Jones shared the large number of field trips that were taken this year featuring our partners. Mr. Jones also shared about a training that he and Mr. Johnson attended titled "Why does Art Matter in NWA"?
- Presentation of New Piano: Mr. Johnson presented our new grand piano that was donated by the heirs of Renalda Herbert. We took possession of this beautiful Bosendorfer piano built in 1895 on June 7, 2017 and the appraised value is \$49,000. A Fall Concert is being planned that will highlight the piano and provide a formal presentation by Mrs. Herbert's family.
- Discuss Suspension Policy: Mr. Beardsley discussed that a family had approached him with concerns about our Suspension Policy and whether it was followed in dealing with his child. Mr. Beardsley shared that he had thoroughly read our policy and we did follow the Suspension per our written policy. He encouraged our staff to familiarize themselves with the policy for future use.

7. Discussion of items since publication of the agenda: Mrs. Ley shared that our Web Site will be finished this Thursday and could be on line as early as next week, but no later than the end of the month. Mrs. Ley was ask to find out information of what surveillance equipment we currently have or if the construction company has surveillance camera that will be used during the construction project. Mrs. Ley said she would find out and report back to the Board at our July meeting.

8. Personnel: Hiring/Renewal/Promotion/Demotion/Transfer/Non-Renewal/Termination):

A motion was made to Hire Rebeca Pitts as our Choral Music, AP Music Theory and Piano Lab Teacher by Anthony Prochia and a 2nd by Dave Russell and the motion passed with a 5 – 0 vote.

A motion was made to Hire Megan Hurt as our High School Counselor by David Russell and a 2nd by Anthony Porchia and the motion passed with a 5 – 0 vote.

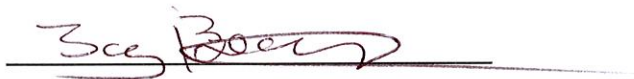
A motion was made to Hire Ryan Cockerham as our Part Time Digital Music, Aural Skills and Audio Visual Production Teacher by David Russell and a 2nd by Joe DeRouen and the motion passed with a 5 – 0 vote.

A motion was made to Hire Ann Wiggins as our Part Time SPED , AP Coordinator, 504 Coordinator and a Dyslexia Teacher by Joe DeRouen and a 2nd by Dave Russell and the motion passed with a 5 – 0 vote.

A motion was made to Hire Elizabeth Lyon Bailey as our Part Time Orchestra Teacher by Joe DeRouen and a 2nd by Davd Russell and the motion passed with a 5 – 0 vote.

9. Adjournment: A motion was made to Adjourn our meeting by Alicia Knotts and a 2nd by Anthony Porchia and the motion passed in a 5 – 0 vote.

10. Upcoming Event Calendar: See Attached



Tony Beardsley, President



**RESOLUTION OF THE BOARD OF DIRECTORS
OF
ARKANSAS ARTS ACADEMY**

WHEREAS, pursuant to the Constitution and laws of the State of Arkansas, the Arkansas Development Finance Authority (the “*Issuer*”) is authorized to issue its revenue bonds for the purpose of financing educational facilities; and

WHEREAS, BCCSO, LLC, an Arkansas nonprofit limited liability company (the “*Borrower*”), has requested the assistance of the Issuer in issuing its Charter School Lease Revenue Bonds (Arkansas Arts Academy Project), Series 2017 (the “*Bonds*”) for the purposes of (a) financing the acquisition, construction, renovation and equipping of certain educational facilities to be owned by the Borrower and to be leased to Arkansas Arts Academy, formerly known as Benton County Charter School Organization, Inc., an Arkansas nonprofit corporation (the “*Corporation*”), and operated as a part of the Corporation’s charter school known as the Arkansas Arts Academy (the “*Facilities*”), (b) advance refunding of Public Facilities Board of Benton County, Arkansas Charter School Lease Revenue Bonds (BCCSO Project), Series 2010A (the “*Prior Bonds*”), (c) funding a debt service reserve fund and/or capitalized interest fund, if any, and (d) paying costs of issuance of the Bonds, with the Issuer loaning the proceeds of the Bonds to the Borrower for these purposes; and

WHEREAS, the Corporation has entered into a Standard Form of Agreement between Owner and Architect with Hight Jackson Associates PA dated October 24, 2016 (the “*Architect’s Contract*”) and a Standard Form of Agreement between Owner and Construction Manager as Constructor with Flintco, LLC dated as of March 13, 2017 (the “*Construction Contract*”) each related to the design and construction of the Project; and

WHEREAS, arrangements have been made with Crews & Associates, Inc. (the “*Underwriter*”) for the purchase of the Bonds pursuant to the term and on the conditions set forth in a Bond Purchase Agreement to be dated as of its date of execution, among the Issuer, the Borrower, the Corporation, and the Underwriter, providing for the purchase of the Bonds (the “*Bond Purchase Agreement*”); and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower pursuant to the terms and provisions of a Loan Agreement to be dated as of the date of delivery of the Bonds (the “*Loan Agreement*”), by and between the Issuer and the Borrower, which loan will be evidenced by a promissory note or notes of the Borrower (the “*Note*”); and

WHEREAS, the Borrower has also requested the assistance of The Walton Family Foundation in loaning to the Borrower the sum of \$5,000,000 (the “*Foundation Loan*”) to be used toward the costs of the Project, which shall be in the form of a construction loan that is subordinate to the Note; and

WHEREAS, the Facilities will be leased by the Borrower to the Corporation pursuant to the terms and provisions of an Amended and Restated Lease Agreement to be dated as of the

date of delivery of the Bonds (the "*Lease Agreement*") which will provide for rental payments in amount sufficient for the Borrower to repay the Note and the Foundation Loan;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Corporation that:

1. All actions of the officers, directors and employees of the Corporation and the Borrower heretofore taken and pertaining to the design, acquisition, construction, renovation and equipping of the Project, the issuance of the Bonds and the extension of the Foundation Loan are hereby ratified, approved and confirmed in all respects.

2. The borrowing of the proceeds of the Bonds by the Borrower is hereby authorized in the aggregate principal amount not to exceed of \$27,500,000, at an interest at a rate not to exceed five and 50/100 percent (5.50%) per annum, calculated on the basis of true interest cost (after taking into account original issue discount and premium and Underwriter's discount, but excluding costs of issuing the Bonds), and a maturity date not extending past December 1, 2047, as more particularly described in the Loan Agreement and the Note.

3. The borrowing of the proceeds of the Foundation Loan by the Borrower is hereby authorized in the aggregate principal amount not to exceed \$5,000,000, interest free, on such terms as are more particularly described in the Credit Facilities Agreement by and between the Foundation and the Borrower (the "*Foundation Loan Agreement*") and the Promissory Note from the Borrower to the Foundation (the "*Foundation Note*").

4. In connection with the offering and sale of the Bonds, the preparation and distribution of a Preliminary Official Statement (the "*Preliminary Official Statement*"), is hereby ratified and approved, and the distribution of an Official Statement (the "Official Statement"), is hereby authorized and approved.

5. To prescribe the terms and conditions upon which the Bonds are to be sold and purchased, the Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized, individually, to execute and deliver the Bond Purchase Agreement among the Issuer, the Borrower, the Corporation, and the Underwriter. The Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized to confer with the Underwriter in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval, including the execution of the Bond Purchase Agreement by the Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually.

6. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized and directed in the name of the Corporation and on its behalf to execute and deliver all documents which may be necessary or convenient in connection with the issuance of the Bonds, including particularly, but not limited to (1) the Loan Agreement, (2) the Note, (3) the Lease Agreement, (4) a Leasehold Construction Mortgage with Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Includes Future Advances) to be dated as of the date of delivery of the Bonds (the "*Leasehold Mortgage*"), from the Corporation to the Issuer, (5) a Continuing Disclosure Agreement to be dated as of the date of delivery of the Bonds, among the Issuer, the Borrower, the Corporation, and Bank of the Ozarks, as dissemination agent, and (6) a Tax Regulatory Agreement to be dated as of the date of delivery of the Bonds (the "*Tax Agreement*"), among the Issuer, the Borrower, the Corporation and Bank of the Ozarks, as trustee. The Corporation's President is hereby authorized to confer with the Issuer and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. ("*Bond Counsel*") in order to complete the aforementioned documents in substantially the forms previously distributed, with such changes as shall be approved by such persons executing such documents, their execution to constitute conclusive evidence of such approval. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each further authorized to execute and deliver such other agreements, certificates, representations, assurances and other instruments and documents of every character, and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to consummate the issuance of the Bonds and the transactions contemplated in connection therewith.

7. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized, individually, in the name of the Corporation and on its behalf to execute and deliver all documents which may be necessary or convenient in connection with the extension of the Foundation Loan, including particularly, but not limited to (1) the Foundation Loan Agreement, (2) the Foundation Note, (3) a Leasehold Construction Mortgage with Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Includes Future Advances) to be dated as of the date of closing of the Foundation Loan (the "*Foundation Leasehold Mortgage*"), from the Corporation to the Foundation. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized, individually, to confer with the Foundation and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. ("*Borrower's Counsel*") in order to complete the aforementioned documents in substantially the forms previously distributed, with such changes as shall be approved by such persons executing such documents, their execution to constitute conclusive evidence of such approval. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, in the name of the Corporation and on its behalf, are each further authorized and directed to execute and deliver


such other agreements, certificates, representations, assurances and other instruments and documents of every character, and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to consummate the extension of the Foundation Loan and the transactions contemplated in connection therewith.

8. All actions of the managers, officers, directors and employees of the Corporation and the Borrower heretofore taken and pertaining to the Architect's Contract and the Construction Contract are hereby ratified, approved and confirmed in all respects. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, are each hereby authorized and directed, in the name of the Corporation and on its behalf, to execute and deliver all documents which may be necessary or convenient in connection with the assignment, assumption, revision, amendment, supplement or replacement of the Architect's Contract and the Construction Contract, including particularly, but not limited to, the acceptance and execution of the document presented at this meeting that reflects a guaranteed maximum price for the construction costs associated with the Project. The Corporation's President, with the joinder of the Chairman, Vice Chairman, Secretary or Treasurer of the Corporation, if such joinder is deemed necessary or advisable, or where provision is made therefor, or any of them acting individually, in the name of the Corporation and on its behalf, are each further authorized and directed to execute and deliver such other agreements, certificates, representations, assurances and other instruments and documents of every character, and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to the design, acquisition, construction, renovation and equipping of the Project.

9. The Corporation is the sole member of the Borrower and confirms that Mary Ley is the elected and qualified Manager and Operating Manager of the Borrower (the "*Manager*") pursuant to the Operating Agreement of the Borrower.

10. The Corporation, in its capacity as the sole member of the Borrower, authorizes and directs the Borrower and its Manager to approve and adopt such resolutions as are necessary to evidence the Borrower's authority with respect to the design, acquisition, construction, renovation and equipping of the Project, the issuance of the Bonds and the extension of the Foundation Loan, including, but not limited to, the approval of the resolutions of the Manager in substantially the form submitted to this meeting with such changes as shall be approved by the Manager.

IN WITNESS WHEREOF, I, the undersigned, do hereby set my hand on this 13th day of June, 2017, and hereby declare that this resolution was validly adopted on such date at a duly called meeting of the Board of Directors of the Corporation in accordance with its Articles of Incorporation and Bylaws and a majority vote of the members of the Board of Directors of the Corporation present at such meeting.



Tony Beardseley, President

**RESOLUTION OF THE MANAGER
OF
BCCSO, LLC**

WHEREAS, pursuant to the Constitution and laws of the State of Arkansas, the Arkansas Development Finance Authority (the "*Issuer*") is authorized to issue its revenue bonds for the purpose of financing educational facilities; and

WHEREAS, BCCSO, LLC, an Arkansas nonprofit limited liability company (the "*Company*"), has requested the assistance of the Issuer in issuing its Charter School Lease Revenue Bonds (Arkansas Arts Academy Project), Series 2017 (the "*Bonds*") for the purposes of (a) financing the acquisition, construction, renovation and equipping of certain educational facilities located on the elementary school campus located at 2005 South 12th Street, Rogers, Arkansas and high school campus located at 506 West Poplar, Rogers, Arkansas (collectively, the "*Project*") to be owned by the Company and to be leased to Arkansas Arts Academy, formerly known as Benton County Charter School Organization, Inc., an Arkansas nonprofit corporation (the "*Lessee*"), and operated as a part of the Lessee's charter school known as the Arkansas Arts Academy (the "*Facilities*"), (b) advance refunding of Public Facilities Board of Benton County, Arkansas (the "*Prior Issuer*") Charter School Lease Revenue Bonds (BCCSO Project), Series 2010A (the "*Prior Bonds*"), (c) funding a debt service reserve fund and/or capitalized interest fund, if any, and (d) paying costs of issuance of the Bonds, with the Issuer loaning the proceeds of the Bonds to the Company for these purposes; and

WHEREAS, the Lessee has entered into a Standard Form of Agreement between Owner and Architect with Hight Jackson Associates PA dated October 24, 2016 (the "*Architect's Contract*") and a Standard Form of Agreement between Owner and Construction Manager as Constructor with Flintco, LLC dated as of March 13, 2017 (the "*Construction Contract*") each related to the design and construction of the Project; and

WHEREAS, arrangements have been made with Crews & Associates, Inc. (the "*Underwriter*") for the purchase of the Bonds pursuant to the term and on the conditions set forth in a Bond Purchase Agreement to be dated as of its date of execution, among the Issuer, the Company, the Lessee, and the Underwriter, providing for the purchase of the Bonds (the "*Bond Purchase Agreement*"); and

WHEREAS, the proceeds of the Bonds will be loaned to the Company pursuant to the terms and provisions of a Loan Agreement to be dated as of the date of delivery of the Bonds (the "*Loan Agreement*"), by and between the Issuer and the Company, which loan will be evidenced by a promissory note or notes of the Company (the "*Note*"); and

WHEREAS, the Company has also requested the assistance of The Walton Family Foundation in loaning to the Company the sum of \$5,000,000 (the "*Foundation Loan*") to be used toward the costs of the Project, which shall be in the form of a construction loan that is subordinate to the Note; and

WHEREAS, the Facilities will be leased by the Company to the Lessee pursuant to the terms and provisions of an Amended and Restated Lease Agreement to be dated as of the date of delivery of the Bonds (the "*Lease Agreement*") which will provide for rental payments in amount sufficient for the Company to repay the Note and the Foundation Loan; and

WHEREAS, Lessee is the sole member of the Company and authorizes and directs the Manager of the Company to adopt these resolutions relating to the design, acquisition, construction, renovation and equipping of the Project, the issuance of the Bonds and the extension of the Foundation Loan;

NOW, THEREFORE, BE IT RESOLVED by the Manager of BCCSO, LLC that:

1. All actions of the managers, officers, directors and employees of the Company heretofore taken and pertaining to the design, acquisition, construction, renovation and equipping of the Project, the issuance of the Bonds and the extension of the Foundation Loan are hereby ratified, approved and confirmed in all respects.

2. The borrowing of the proceeds of the Bonds by the Company is hereby authorized in the aggregate principal amount not to exceed \$27,500,000, at an interest at a rate not to exceed five and 50/100 percent (5.50%) per annum, calculated on the basis of true interest cost (after taking into account original issue discount and premium and Underwriter's discount, but excluding costs of issuing the Bonds), and a maturity date not extending past December 1, 2047, as more particularly described in the Loan Agreement and the Note.

3. The borrowing of the proceeds of the Foundation Loan by the Company is hereby authorized in the aggregate principal amount not to exceed \$5,000,000, interest free, on such terms as are more particularly described in the Credit Facilities Agreement by and between the Foundation and the Company (the "*Foundation Loan Agreement*") and the Promissory Note from the Company to the Foundation (the "*Foundation Note*").

4. In connection with the offering and sale of the Bonds, the preparation and distribution of a Preliminary Official Statement (the "*Preliminary Official Statement*"), is hereby ratified and approved, and the distribution of an Official Statement (the "*Official Statement*"), is hereby authorized and approved.

5. To prescribe the terms and conditions upon which the Bonds are to be sold and purchased, the Company's Manager is hereby authorized, in the name of the Company and on its behalf, to execute and deliver the Bond Purchase Agreement among the Issuer, the Company, the Lessee, and the Underwriter. The Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Company's Manager is hereby authorized, in the name of the Company and on its behalf, to confer with the Underwriter in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting with such changes as shall be approved the Manager, with her execution constituting conclusive evidence of such approval.


6. The Company's Manager is hereby authorized, in the name of the Company and on its behalf, to execute and deliver all documents which may be necessary or convenient in connection with the issuance of the Bonds, including particularly, but not limited to (1) the Loan Agreement, (2) the Note, (3) the Lease Agreement, (4) a Construction Mortgage with Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Includes Future Advances) to be dated as of the date of delivery of the Bonds (the "*Mortgage*"), from the Company to the Issuer, (5) a Continuing Disclosure Agreement to be dated as of the date of delivery of the Bonds, among the Issuer, the Company, the Lessee and Bank of the Ozarks, as dissemination agent, (6) a Tax Regulatory Agreement to be dated as of the date of delivery of the Bonds (the "*Tax Agreement*"), among the Issuer, the Company, the Lessee and Bank of the Ozarks, as trustee, and (7) an Escrow Deposit Agreement between the Company, the Prior Issuer and the trustee for the Prior Bonds. The Manager of the Company is hereby authorized to confer with the Issuer and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. ("*Bond Counsel*") in order to complete the aforementioned documents in substantially the forms previously distributed, with such changes as shall be approved by the Manager, with her execution constituting conclusive evidence of such approval. The Manager of the Company is further authorized to execute and deliver such other agreements, certificates, representations, assurances and other instruments and documents of every character, and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to consummate the issuance of the Bonds and the transactions contemplated in connection therewith.

7. The Company's Manager is hereby authorized, in the name of the Company and on its behalf, to execute and deliver all documents which may be necessary or convenient in connection with the extension of the Foundation Loan, including particularly, but not limited to (1) the Foundation Loan Agreement, (2) the Foundation Note, (3) a Construction Mortgage with Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Includes Future Advances) to be dated as of the date of closing of the Foundation Loan (the "*Foundation Mortgage*"), from the Company to the Issuer. The Manager of the Company is hereby authorized to confer with the Foundation and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. ("*Borrower's Counsel*") in order to complete the aforementioned documents in substantially the forms previously distributed, with such changes as shall be approved by the Manager, with her execution constituting conclusive evidence of such approval. The Manager of the Company is further authorized to execute and deliver such other agreements, certificates, representations, assurances and other instruments and documents of every character, and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to consummate the extension of the Foundation Loan and the transactions contemplated in connection therewith.

8. All actions of the managers, officers, directors and employees of the Company heretofore taken and pertaining to the Architect's Contract and the Construction Contract are hereby ratified, approved and confirmed in all respects. The Company's Manager is hereby authorized, in the name of the Company and on its behalf, to execute and deliver all documents which may be necessary or convenient in connection with the assignment, assumption, revision, amendment, supplement or replacement of the Architect's Contract and the Construction Contract, including particularly, but not limited to, the acceptance and execution of the document presented at this meeting that reflects a guaranteed maximum price for the construction costs

associated with the Project. The Manager of the Company is further authorized and directed to execute and deliver such other agreements, certificates, representations, assurances and other instruments and documents of every character and to do and perform or cause to be done and performed such other acts and things as be necessary, advisable or appropriate to the design, acquisition, construction, renovation and equipping of the Project.

IN WITNESS WHEREOF, I, the undersigned, do hereby set my hand on this 13th day of June, 2017, and hereby declare that this resolution was validly adopted on such date in accordance with the Company's Articles of Organization and Operating Agreement and pursuant to a majority vote of the members of the Board of Directors of Arkansas Arts Academy



Mary Ley, Manager