



Magnolia Public Schools

Audit/Facilities Committee Meeting

Date and Time

Thursday October 6, 2022 at 5:30 PM PDT

Location

<https://zoom.us/j/92205640153?pwd=cHNIWjlnY0dsQmxDTjZFa0pydzR0Zz09>

Meeting ID: 922 0564 0153 **Passcode:** 013089

One tap mobile: +16699009128,,92205640153# US (San Jose)

All members of the public can participate by calling in using the numbers provided above.

In compliance with the Americans with Disabilities Act (ADA) and upon request, Magnolia Public Schools may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Members of the public who need special accommodations or translation are strongly encouraged to contact Magnolia Public Schools at least 24 hours in advance of the Board meeting so assistance can be assured.

Any public records relating to an agenda item for an open session which are distributed to all, or a majority of all, of the Board Members shall be available for public inspection. Magnolia Public Schools values public comment during Board meetings. Pursuant to AB 361 members of the public may address the Board during the Public Comment period on the day of the board meeting without the need to complete a public speaker form. We limit individual speakers to three (3) minutes and speakers with interpreters to six (6) minutes. For any questions regarding this meeting email board@magnoliapublicschools.org or call 213-628-3634 Ext. 21101.

Audit/Facilities Committee Members

Mr. Mekan Muhammedov, Chair

Ms. Diane Gonzalez

Mr. Daniel Sheehan

Dr. Salih Dikbas (alternate)

CEO and Superintendent

Mr. Alfredo Rubalcava

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:30 PM
Opening Items			
A. Call the Meeting to Order			1 m
B. Record Attendance and Guests			1 m
C. Approval of Agenda	Vote		1 m
D. Public Comments			3 m
E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 11, 2022	Approve Minutes		1 m
F. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 30, 2022	Approve Minutes		1 m
II. Recommended Action Items			5:38 PM
A. Approval of the Closing of the Purchase of 7111 Winnetka Ave, the Assignment of the Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a Lease for 7111 Winnetka Ave	Vote	P.Ontiveros	25 m
B. Approval of Updated Preferred Vendors' List	Vote	M.Sahin	10 m
III. Closing Items			6:13 PM
A. Adjourn Meeting			1 m

Coversheet

Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 11, 2022

Section: I. Opening Items
Item: E. Approval of Minutes from MPS Regular Audit/Facilities
Committee Meeting - August 11, 2022
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for Audit/Facilities Committee Meeting on August 11, 2022

APPROVED



Magnolia Public Schools

Minutes

Audit/Facilities Committee Meeting

Date and Time

Thursday August 11, 2022 at 5:00 PM

Location

<https://zoom.us/j/92205640153?pwd=cHNIWjlnY0dsQmxDTjZFa0pydzR0Zz09>

Meeting ID: 922 0564 0153 **Passcode:** 013089

One tap mobile: +16699009128,,92205640153# US (San Jose)

Audit/Facilities Committee Members

Mr. Mekan Muhammedov, Chair

Ms. Diane Gonzalez

Dr. Umit Yapanel (alternate)

CEO and Superintendent

Mr. Alfredo Rubalcava

Committee Members Present

D. Gonzalez (remote), M. Muhammedov (remote)

Committee Members Absent

None

I. Opening Items**A. Call the Meeting to Order**

M. Muhammedov called a meeting of the Audit/Facilities Committee of Magnolia Public Schools to order on Thursday Aug 11, 2022 at 5:02 PM.

B. Record Attendance and Guests

Refer to attendance information recorded above.

C.

Approval of Agenda

D. Gonzalez made a motion to approve the agenda as presented.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez Aye
M. Muhammedov Aye

D. Public Comments

No public comments were made at this time.

E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - May 5, 2022

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 05-05-22.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez Aye
M. Muhammedov Aye

F. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - June 21, 2022

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 06-21-22.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez Aye
M. Muhammedov Aye

II. Recommended Action Items

A. Approval of Agreement with Universal Awning to Build Two Shade Structures for Magnolia Science Academy-1 High School

M.Sahin, Facilities Project Manager, explained that the two shade structures for the MSA-1 campus would provide a shaded area on the rooftop of the high school building for before/after school activities and recreational breaks. He explained the RFP process. ESSER funds will be used for the shade structures and he provided documentation of the approval from the State. P.Ontiveros, General Counsel & Director of Facilities, provided further context of the decision to go with Universal Awning for this project. M.Sahin shared that the estimated time of completion is around 6-10 weeks depending on permitting process and materials. Committee members questions were addressed by the staff. Committee members provided feedback for staff to consider for possible implementation.

M. Muhammedov made a motion to approve the agreements with Universal Awning to build two shade structures on the rooftop of Magnolia Science Academy (MSA)-1 High School building with the proposed amount for both shade structures being \$272,322.00 and a contingency of 20%, or \$54,464.40 to cover permitting

and other unforeseen expenses and further recommends that the Committee moves that the MPS Board of Directors adopt the same.

D. Gonzalez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov Aye

D. Gonzalez Aye

B. Approval of Agreements with Zingo Construction to Upgrade the Plumbing Fixtures at Magnolia Science Academy-1, 7 and Santa Ana

M.Sahin, Facilities Project Manager, presented the agreement from Zingo Construction to upgrade plumbing fixtures at MSA-1,7 and Santa Ana. He explained the RFP process. Previously these schools were awarded a grant from the CalSHAPE Program in which the Board adopted the resolutions back in February 2022. Proposal amounts were higher than the awarded amounts. CalSHAPE would not pay for the difference, therefore schools would pay the difference out of its general funds to complete the project. P.Ontiveros, General Counsel & Director of Facilities also provided context in paying for these projects. No questions were made at this time.

M. Muhammedov made a motion to approve the agreements with Zingo Construction to upgrade the plumbing fixtures at Magnolia Science Academy- 1, 7 and Santa Ana according to CalSHAPE Plumbing Grant Requirements and further recommends that the Committee moves that the MPS Board of Directors adopt the same.

D. Gonzalez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez Aye

M. Muhammedov Aye

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:27 PM.

Respectfully Submitted,
M. Muhammedov

Coversheet

Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 30, 2022

Section: I. Opening Items
Item: F. Approval of Minutes from MPS Regular Audit/Facilities
Committee Meeting - August 30, 2022
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for Audit/Facilities Committee Meeting on August 30, 2022

APPROVED



Magnolia Public Schools

Minutes

Audit/Facilities Committee Meeting

Date and Time

Tuesday August 30, 2022 at 5:30 PM

Location

<https://zoom.us/j/92205640153?pwd=cHNIWjlnY0dsQmxDTjZFa0pydzR0Zz09>

Meeting ID: 922 0564 0153 **Passcode:** 013089

One tap mobile: +16699009128,,92205640153# US (San Jose)

Audit/Facilities Committee Members

Mr. Mekan Muhammedov, Chair

Ms. Diane Gonzalez

Mr. Daniel Sheehan

Dr. Salih Dikbas (alternate)

CEO and Superintendent

Mr. Alfredo Rubalcava

Committee Members Present

D. Sheehan (remote), M. Muhammedov (remote)

Committee Members Absent

D. Gonzalez

I. Opening Items**A. Call the Meeting to Order**

M. Muhammedov called a meeting of the Audit/Facilities Committee of Magnolia Public Schools to order on Tuesday Aug 30, 2022 at 5:34 PM.

B. Record Attendance and Guests

Refer to attendance information recorded above.

C. Approval of Agenda

M. Muhammedov made a motion to approve the agenda as presented.

D. Sheehan seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

D. Gonzalez Absent

D. Sheehan Aye

M. Muhammedov Aye

D. Public Comments

No public comments were made at this time.

II. Recommended Action Items

A. Approval for Assignment and Acquisition of 18242 Sherman Way, Execution of Lease Agreement with MPM Sherman Winnetka LLC and Prepayment of Rent

P.Ontiveros, General Counsel & Director of Facilities, presented the matters as it relates to the 18242-44 Sherman Way property and also relating to the existing facilities at 18220-18238 Sherman Way. The 18242-44 property is discussion is referred to the JAM Building which is adjacent to the MSA-1 campus. He explained that once property closes escrow, MSA-1 will occupy that by signing a leasing agreement with Sherman Winnetka LLC. S.Budhraj, Chief Financial Officer, provided budget perspective and went over their analysis on the bond to ensure that there will be no issues raised in this transaction and financial standpoint. Board Members questions were addressed by staff. Staff will follow up with legal counsel regarding questions raised on transaction structure.

M. Muhammedov made a motion to approve the following actions: (1) the assignment by MPS to MPM Sherman Winnetka LLC (the "Winnetka Ave LLC") of all its right, title and interest in and to that certain agreement for the purchase of the property located at 18242- 44 Sherman Way in Reseda (APNs: 2125-036-096 and -099) (the "18242 Sherman Way Property") including the right to take title to the Property; (2) the execution of that certain Lease Agreement by and between MPS and Winnetka Ave LLC (the "18242 Lease") for the use and occupancy of the 18242 Sherman Way Property by Magnolia Science Academy—1 ("MSA—1"); (3) the receipt by MPS from MPM Sherman Way LLC of \$1,268,717.50 under that certain First Amendment to Amended and Restated Lease Agreement (the "First Amendment") for the property located at 18220-18238 Sherman Way, presently occupied by MSA--1 (the "Existing Premises"), by and between MPS and MPM Sherman Way LLC, pursuant to which MPM Sherman Way LLC has refunded or will refund to MPS a portion of its rent because of the sale of land and diminution in value of the Existing Premises; (4) the execution by MPS of the First Amendment; (5) under the 18242 Lease, the payment by MPS to Winnetka Ave LLC of non-refundable advanced rent in the amount of \$938,000 (inclusive of a good faith deposit of \$50,000 made by MPS and \$888,000 in new money); (6) the execution by MPS, on behalf of Winnetka Ave LLC as its sole manager, of all documents, including all loan documents, for the acquisition by Winnetka Ave LLC of the 18242 Sherman Way Property; (7) the execution by the MPS CEO and Superintendent, or his designees, of such documents and instruments as may be necessary to undertake and complete the foregoing actions. (8) recommends and moves that the MPS Committee recommend and move that the MPS Board adopt the foregoing resolutions.

D. Sheehan seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. Gonzalez	Absent
M. Muhammedov	Aye
D. Sheehan	Aye

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:58 PM.

Respectfully Submitted,
M. Muhammedov

Coversheet

Approval of the Closing of the Purchase of 7111 Winnetka Ave, the Assignment of the Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a Lease for 7111 Winnetka Ave

Section: II. Recommended Action Items
Item: A. Approval of the Closing of the Purchase of 7111 Winnetka Ave, the Assignment of the Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a Lease for 7111 Winnetka Ave
Purpose: Vote
Submitted by:
Related Material:
Closing of the Purchase of 7111 Winnetka Ave., the Assignment of the Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a Lease for 7111 Winnetka Ave.pdf



Agenda Item #: II A: Recommended Action Item

Date: October 6, 2022

To: Magnolia Educational & Research Foundation dba Magnolia Public Schools ("**MPS**")
Board of Directors (the "**Board**") & Audit and Facilities Committee (the "**Committee**")

From: Alfredo Rubalcava, CEO & Superintendent

Staff Lead: Patrick Ontiveros, General Counsel & Director of Facilities
Mustafa Sahin, Project Manager

RE: Approval of Closing of the Purchase of 7111 Winnetka Ave., the Assignment of the
Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a
Lease for 7111 Winnetka Ave.

I. Proposed Recommendation(s)

Staff recommends and moves that the MPS Committee approve the following actions:

- (1) the assignment by MPS to MPM Sherman Winnetka LLC (the "**Winnetka Ave LLC**") of all its right, title and interest in and to that certain agreement for the purchase of the property located at 7111 Winnetka Ave in Winnetka (APNs: 2135-038-016 and 2135-038-016) (the "**7111 Winnetka Ave Property**") including the right to take title to the Property and the good faith deposit made by MPS;
- (2) the execution by the MPS CEO, CFO or their designees, of a lease agreement by and between MPS and Winnetka Ave LLC (the "**7111 Winnetka Lease**") for the use and occupancy of the 7111 Winnetka Ave Property by Magnolia Science Academy—5 ("**MSA—5**");
- (3) under the 7111 Winnetka Lease, the payment by MPS to Winnetka Ave LLC of non-refundable advanced rent in an amount not to exceed \$350,000 consisting of the assignment of the good faith deposit made by MPS to escrow;
- (4) the execution by the MPS CEO, CFO or their designees, on behalf of Winnetka Ave LLC, as its sole manager of such documents and instruments as may be necessary in order for Winnetka Ave LLC to acquire the 7111 Winnetka Ave Property, including any loan documents; and
- (5) the execution by the MPS CEO and Superintendent, CFO, or their designees, of such documents and instruments as may be necessary to undertake and complete the foregoing actions.

Staff recommends and moves that the MPS Committee recommend and move that the MPS Board adopt the foregoing resolutions.

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II. Background

Prior Board Actions

At its December 19, 2021 meeting, the MPS Board approved MPS signing a purchase and sale agreement ("**PSA**") for the purchase of the 7111 Winnetka Ave Property and making a good faith, refundable, escrow deposit of Two Hundred Thousand Dollars (\$200,000).

Escrow for the purchase and sale of the Property was opened on December 22, 2021. MPS exercised all three (3) of its options to extend the contingency period. At its March 8, 2022 meeting the Board approved the exercise of the first option and the release of \$15,000 from escrow. At its April 7, 2022 meeting the Board approved the exercise of the second option and the release of \$20,000 from escrow. At its May 12, 2022 meeting the Board approved the exercise of the third option and the release of \$25,000 from escrow. At its June 16, 2022 meeting the Board approved the waiver of the contingencies, release of the balance in the escrow account of \$140,000 to the Seller and the deposit of an additional \$150,000 in non-refundable funds to escrow by June 30, 2022. At the June 16th meeting the Board also approved a loan from CLI Capital to fund the acquisition of the 7111 Winnetka Ave Property.

MPS Staff advised MSA-5's charter authorizer, the Los Angeles County Office of Education ("**LACOE**"), of its desire to purchase and develop the Property. LACOE acknowledged both verbally and in writing that MPS fulfilled its obligation to LACOE by notifying them of the transaction but that LACOE does not have the authority to approve or disapprove of the transaction.

MPS proposes to assign to Winnetka Ave LLC the right to take acquire and take title to the Winnetka Ave Property with a loan from CLI Capital according to the terms a term sheet dated April 28, 2022, a copy of which is attached as **Exhibit A**. MPS expects that the final loan documents will be substantially similar to the loan documents used for the acquisition by Winnetka Ave LLC in which CLI Capital was also the lender. Winnetka Ave LLC is a subsidiary of Magnolia Properties Management, Inc., a 501(c)(3) support corporation. When MPS assigns the PSA to Winnetka Ave LLC, MPS will enter into a lease for the Property with the Winnetka Ave LLC.

At closing, the Seller must deliver the Property free and clear of all liens and tenants. There are no long term leases in place. Seller has the option of extending the closing in order to do so. Seller has six (6) 30-day options (no cost, with 10-days' notice) to extend the Closing for the sole purpose of delivering the Property as required by the PSA, of which it has exercised one. MPS does not believe that Seller will exercise anymore although it has 10 days before the scheduled closing date (i.e., October 20th) to exercise another option.

Current Requested Actions

Assignment of Right to Take Title and Execution of New Lease

MPS Staff recommends assigning the purchase agreement and all rights and interests in it to Winnetka Ave LLC which will hold title to the 7111 Winnetka Ave Property at the close of escrow. This structure will allow MERF to receive SB740 funding. Winnetka Ave LLC will lease the 7111 Winnetka Ave Property to MPS for the benefit and occupancy by MSA—5 under a new lease agreement..

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Payment of Non-Refundable Advanced Rent to Winnetka Ave LLC and Execution of 7111 Winnetka Ave Lease

MPS Staff recommends that MPS pay advanced rent to Winnetka Ave LLC of up to \$350,000, consisting of the good faith deposit of \$350,000 made by MPS and assigned by MPS to Winnetka Ave LLC, and sign the 7111 Winnetka Ave Lease.

Winnetka Ave LLC is receiving a loan from CLI Capital to purchase the 7111 Winnetka Ave Property. Separately, Winnetka Ave LLC's sole member MPM has authorized or will authorize the receipt of the acquisition loan from CLI Capital. The loan, however, is for \$9,500,000 and the purchase price plus closing costs is expected to exceed such amount, requiring Winnetka Ave LLC to pay the difference. The advanced rent payment is needed by Winnetka Ave LLC in order to close escrow on the purchase of the 7111 Winnetka Ave Property.

MPS must sign the 7111 Winnetka Ave Lease with Winnetka Ave LLC in order for MSA—5 to use and occupy the 7111 Winnetka Ave Property. The rent payable to Winnetka Ave LLC under the Lease is equal to the debt service Winnetka Ave LLC will pay to CLI Capital.

Signature of Loan Documents by MPS as Sole Manager of Winnetka Ave LLC

Winnetka Ave LLC's sole manager is MPS. As such MPS's CEO, CFO or such other appropriate officer will be required to sign the loan documents with CLI Capital on Winnetka Ave LLC's behalf.

III. Conclusion / Budget Impact

The projected acquisition cost of \$9,900,000 (that is, the purchase price, broker's fee, CLI Capital's commitment fee, and miscellaneous closing costs) will be financed over a period of 30 years. There will be no principal or interest payments during the 2022-23 fiscal year but rather accrued interest will be added to the principal amount of the loan. The payment schedule will resume during the 2023-24 year at which time MSA-5 will begin making payments of approximately \$66,000 per month, which will be incorporated into the school's financial projections.

MPS has applied for funding through the California Office of Public School Construction in order to develop the 7111 Winnetka Ave Property. In the event that funding is awarded, one half of the award will be a loan and will need to be paid back while the other half will be a grant which will not need to be paid back. Until such time as funding is received from OPSC, CLI Capital will provide the funding for the acquisition and construction. Upon receipt of such award, MPS will use those funds to pay off CLI Capital's loan.

IV. Attachments

- Exhibit A – Term Sheet



Exhibit A

CLI Capital Term Sheet for the Financing of the Acquisition of 7111 Winnetka Ave



May 19, 2022

Via e-mail

Magnolia Educational & Research Foundation
Board of Directors
% John Buck, Buck Financial Advisors, LLC

RE: Property acquisition and construction loan - "MSA-5 Winnetka Project"

This will constitute the commitment of CLI Capital ("CLI") to loan to Magnolia Property Management, Inc. or a wholly owned single asset entity ("Borrower"), the sum of up to Twenty Five Million Seven Hundred Fifty Thousand Dollars (\$25,750,000), less any title insurance, appraisal costs, mortgage registration tax, origination fees and all other closing costs and expense that may be incurred by CLI in connection with the funding and collection of the loan. This is a commitment to provide financing based on the contingencies located within this letter. This letter is not intended to be an all-encompassing document but a formal communication of approval, commitment of terms, and identification of contingencies and other requirements to facilitate closing in a reasonable time frame. The actual loan documents supersede all terms and conditions of this letter.

The acceptance of this commitment must be indicated by Borrower's signing and returning this letter no later than 5:00 pm Central time on May 26, 2022. If this commitment is not accepted within the specified time frame, CLI may extend the commitment (required to be in writing), allow the commitment to terminate, or issue a revised commitment (required to be in writing). The acceptance of this commitment will be the Borrower's authorization for CLI to withhold from the proceeds of the loan any closing costs or expenses associated with making the loan.

I. Loan Structure and Pricing

The loan will be structured as an advancing note for the purchase of the property located at 7111 N. Winnetka Avenue, Winnetka, California and related improvements. The initial loan advance will be for closing costs associated with the loan. Subsequent advances will be for the purpose of property acquisition and construction in accordance with the construction contracts and construction budget as approved by CLI.

- 1) It is anticipated that the transaction will close in June of 2022. If an earlier closing is desired, closing may occur within 10 business days of CLI's receipt of all Contingencies and Requirements listed below.
- 2) The note will have a maturity date of June 1, 2027. On that date all unpaid principal, accrued interest, and other charges allowed under the note will be due.
- 3) The interest rate will be a floating rate based on the Wall Street Journal Prime rate plus a margin of 1.50%. The interest rate will have a 5.75% floor. Interest will accrue daily on the outstanding unpaid principal balance.

905 South Polk Street, Suite 300
Amarillo, Texas 79101
806-358-3667

- 4) In August 2024 all accrued interest will be capitalized and added to the outstanding principal balance of the loan. In September 2024, monthly principal and interest payments based on a 30 year amortization will be required.
- 5) Borrower will pay to Lender an origination fee of 1.5% of the loan amount in conjunction with the closing of the loan. Borrower may pay this and/or all of its closing costs with an advance on the loan.
- 6) The loan may be prepaid at any time without penalty.
- 7) The loan will be cross-pledged to the "Sherman Project" loan which is referenced in a separate commitment letter.
- 8) Loan funding is subject to confirmation from Borrower's counsel that the proposed loan meets the terms of the Additional Indebtedness Test as specified in Borrower's existing bond documents.

II. Contingencies and other Requirements

This commitment shall be subject to the following conditions:

- 1) Borrower shall return a signed copy of this commitment letter to CLI on or before the expiration date listed above.
- 2) The loan shall be secured by a first mortgage lien on the property purchased and an assignment of all rents, leases, contracts, etc. concerning the property. The lease between Borrower and the tenant must be reviewed and approved by CLI prior to closing. Said property shall be subject to no other liens or encumbrances unless otherwise approved by CLI in writing. Payments made to other related entities for management fees or other similar expenses may be restricted by the lender in the event of an uncured default under the loan documents.
- 3) The loan will be made pursuant to a loan agreement entered into by the Borrower and CLI consistent with the terms of this commitment and such other normal covenants of the Lender's loan agreement.
- 4) That a mortgage title insurance policy in the face amount of not less than the total amount of the loan be issued by a title insurance company acceptable to CLI, insuring CLI is the holder of a good and valid first lien mortgage upon the real estate securing the loan.
- 5) During the term of the loan Borrower agrees to periodically supply CLI with financial statements, reports, and any other pertinent financial or statistical data as reasonably requested by CLI.
- 6) The loan agreement will include a limitation on MERF/MPM borrowing additional debt without obtaining prior written approval by CLI, subject to a de-minimis aggregate amount of \$1,000,000.
- 7) Borrower will be required to furnish to CLI evidence of builder's risk coverage/hazard insurance in an amount not less than the amount of the note. The policy is to provide for customary builders risk coverages, fire, and extended coverage on the entire facility. CLI is to be listed as mortgagee and loss payee. Evidence of such coverage must be furnished prior to loan funding and approved by CLI.
- 8) Loan funding is subject to the receipt of an appraisal performed by a third party deemed acceptable to CLI. The final loan amount will be limited to the lesser of the following amounts: \$25,750,000, 100% of costs, or 100% of appraised value as improved.
- 9) Borrower will provide a full project budget and related construction contract prior to funding loan advances beyond the initial closing advance, which must be approved by CLI. No construction changes or modifications will be made to the construction budget without the expressed written

consent of CLI. Construction draws will be processed using normal and customary AIA Construction Progress Draw Forms. Construction draws must be approved by the architect supervising the project. The construction draw process will be monitored by a third party construction monitoring agent as selected or approved by CLI. The costs related to this monitoring agent will be paid by Borrower. These costs are estimated at \$450 per construction draw.

- 10) Borrower agrees to pay all lender's costs associated with this loan, including legal fees for document preparation (estimated to be 8,000), flood searches (estimated at \$16) and environmental assessment (estimated at \$500). If the environmental assessment indicates any potential environmental issues, a Phase 1 must be obtained and approved by CLI prior to closing. If Borrower has already obtained a Phase 1 on the property the \$500 environmental assessment charge will be waived.
- 11) CLI and Borrower must review and approve all legal documents prior to closing and CLI and or its legal counsel must review and approve the corporate documentation of the Borrower and other entities involved in the transaction prior to closing.
- 12) The parties represent and agree that CLI is a resident of Potter County, Texas and that Borrower has contacted CLI in Potter County, Texas and this contract has been negotiated, in whole or in part, in Potter County, Texas. The parties further represent and agree that all notices and all payments to CLI are to be made in Potter County, Texas.
- 13) Based on the foregoing representations, the parties agree that this contract is to be governed by the laws of the state of Texas, and that jurisdiction of any dispute over interpretation or enforcement of this contract is proper in a district court in the state of Texas, which location would not be unreasonably inconvenient, or unjust. The parties therefore designate that any suit brought to interpret or enforce this contract shall be brought in a district court in Potter County, Texas, or in the United States District Court for the Northern District of Texas, Amarillo Division.

We look forward to working with you in connection with this transaction.

Sincerely,



Travis David
Senior Vice President and Chief Financial Officer
CLI Capital

This commitment has been agreed to and accepted by the undersigned on behalf of Borrower



Signature

Alfredo Rubalcava, CEO and Superintendent 5/20/2022

Printed Name and Title / Date

cc: Lender's Counsel

Coversheet

Approval of Updated Preferred Vendors' List

Section:	II. Recommended Action Items
Item:	B. Approval of Updated Preferred Vendors' List
Purpose:	Vote
Submitted by:	
Related Material:	Updated Preferred Vendors' List.pdf



Agenda Item #: II B: Recommended Action Item
Date: October 6, 2022
To: Magnolia Educational & Research Foundation dba Magnolia Public Schools (“**MPS**”) Board of Directors (the “**Board**”) Audit/Facilities Committee (the “**Committee**”)
From: Alfredo Rubalcava, CEO & Superintendent
Staff Lead: Patrick Ontiveros, General Counsel & Director of Facilities, Mustafa Sahin, Project Manager
RE: Approval of Updated Preferred Vendors' List

I. Proposed Recommendation(s)

Staff recommends and moves that the Committee approve the list of vendors to be added to the existing Preferred Vendors’ list to provide various services to Magnolia Science Academy -1, 7, Santa Ana and San Diego. Staff further recommends that the Committee move and recommend for the Board to adopt the same.

II. Background

The newly added vendors include:

EcoGrass- Artificial Turf Company
Aragon Asphalt- Paving Company
Rafael Franco Associate (RFA)- Architect Company
Express Modular System- Partitions Company
Rabuild Commercial Services LLC- Land use and Entitlement consultant
Power Plus- Temporary Power provider company

This preferred vendor list is to cover any projects below \$90K. The preferred vendor list allows the school sites to work with specific vendors while remaining in compliance within bid threshold guidelines. The site principals contributed to this list; staff picked vendors who provided quality services to their campuses.

Approving this amendment, will help the facilities department move forward on projects where we only receive 2 quotes, as it happens sometimes. As appropriate, the facilities department will strongly recommend to the school sites to get a second or third opinions for projects that they might have instead of have gone to one company.

Staff will run an RFP for any project that is over \$90K, the preferred vendor list is only for any projects below \$90K.

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Page 2



The co-located sites (MSA-2,3,4,6,8) are not listed here because they receive their facility services from LAUSD.

III. Conclusion & Budget Impact

Staff recommends MPS board of the directors to approve to add the additional vendors to be added to our existing preferred vendors' list for 2022-2023 educational year. There is no budgetary impact with this item at this time.

IV. Attachments

- Exhibit A: Previously approved vendors list by the MPS Board on 11/18/2021



Exhibit A

Preferred Vendors' List	
Plumbing	
BG Plumbing	(818) 266-9813
MT Plumbing	(818) 472-5441
RC Plumbing,	(619) 325-9165
State Plumbing-	(310) 612-2088
Electrical	
Anson Electric,	(619) 920-5129
Dinamic Electrict	(818) -581-5918
HVAC	
A.F Air Conditioning & Heating, Inc.	(818) 571-9938
Christian Brothers	(951) 361-2247
JPM	(619) 647-0425
U air	(818) 434- 6539
Gardening / Landscaping	
Booth Landscaping,	(619) 840-9799
Raul Cobian	(818) -224-0438
Vincent Iannolo	(818) -363-2481
Roofing	
Central Roofing	(310) 527-6770
Fencing	
Cal-State Site Services	(805) 527-6500
National	(800) 352-5675
Painting	
DeJememino Construction	(818) 481-7779
JJJ Painting	(818) 383-7189
On Time Coatings,	(760) -300-6316
Locksmiths	
Adams Locksmithing,	(619) -772-5776



MAC Locksmith-	(818) 648-9959
Construction	
AG Construction	(818) 963-1683
Blackwell Construction	(818) 755-6611
DeJememino Construction	(818) 481-7779
Han Trucking (Bobcat, cleaning, DG, sweeping)	(818) 674-3192
Sosa Construction	(661) 666-0955
Zingo Construction	(310) 397-8297
Others	
AAA Rents & Events	(818) 785-1105
ADT	(800) 884-4226
Allied Restoration (deep cleaning, floors, etc.)	(909) 378-2870
DFS Flooring	(818) 374-5243
Digital Synergy (security cameras)	(818) 647-9900
Eco Home Safe, Inc. (pest control)	(818) 886-7378
Franco Architect	(818) 754-2030
Hertz Furniture	(800) 526-4677
InSite EFS Commercial Commercial Real Estate	(323) 686-6539
Irvine Cleaning Company	(949) 394-8311
Mission International Security, Inc	(858) 649-0184
Mobile Modular	(951) 821-9982
ModularTech Company	(619) 208-1413
Norris Realty Advisors	(626) 405-9922
Pacific Rim Architects	(714) 840-2100
Rafael Franco & Associates	(818) 754-2030
School Outfitters	(800) 260-2776
SideToSide To Side Commercial Cleaning	(619) -577-8908
T.R.L Systems - Environmental Sensors - Vape Sensors	(800) 266-1392
Ultimate Iron Work	(818) 795-2749
United Site Services	(866) 740-9185
Universal Awning	(818) 882-0027
World Private Security	(818) 894-1800



Johnson Controls	858-633-9100
United Sports Surfacing of America	(949) 551-4696