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

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