

willing to sell. The negotiated price is \$9,000,000 without an appraisal. The last appraisal from 2022 came in at just over \$8,100,000. The broker thought the purchase price was a great deal.

Reimbursement declaration allows the school to get reimbursed for any expenses incurred during the purchase process and through the expansion project, including fees for civil engineering, architecture, electrical, etc. Expenses up to \$10,000,000 can all be reimbursed once the bond is funded.

Mr. Ross asked about the school's commitment and liability if the bond doesn't get approved or if the state sponsor doesn't approve of this.

Attorney Mark Gardberg is legal counsel on this project. Mr. Gardberg reiterates the purpose of the reimbursement resolution. There will be expenditures between now and closing. If the bond gets delayed, it could be the entire acquisition of \$9,000,000. The first step would be to buy the building at \$9,000,000 and then sell the bonds to pay the school back for anything used to buy it and fund the construction. As far as liability, the sum cost if the building has been bought is the acquisition so the school would need to be refinanced, shifted, or resold. There would be a due diligence process including an appraisal, soils report, etc. so there would be liability for those costs. There would also be civil engineering, electrical, and architectural fees as well but these would remain under \$100,000. The earnest money of \$25,000 would be refundable during the due diligence period, in case something unfavorable is found. There is also a financing contingency period that goes up until 10 days before closing where we could terminate if our financing is not in order. Mr. Gardberg stated the SPCSA Governing Board does not need to approve the purchase of the current building or acquiring the bond funds for the expansion project.

Purchase and Sale Agreement Highlights

- \$9,000,000 to purchase the existing building and adjoining property (4.3 acres)
- Earnest Money Deposit - \$25,000
- Due diligence period is 45 days (due diligence period is shorter than usual due to the fact that the school has been using the building for the last eleven years)
- Financing deadline - July 14th
- Closing - July 23rd
- Closing can be extended up to 3 months if needed
- Contract is reasonable and customary

The Representations and Warranties section is significantly more favorable to the buyer than the average commercial PSA.

Mr. Ross asked that the Delta board meet again 30 days into the due diligence period to get an update on the findings financing. Mrs. Winn agrees with a meeting in 30 days.

Reimbursement Resolution Highlights

This is the money that would be used to pay back the school for anything between now and the bond issuance. This includes reasonable and customary language and approved by the school's counsel.

- Section 1 - 60 days prior to today
- Section 2 - 18 months going forward
- \$10,000,000 (\$9,000,000 purchase price plus any other fees)
- First resolution of several, all need to be approved.
- Effective today

Motion to approve the written resolutions in the form presented

Mr. Gardberg recommends that the board create an LLC that is owned by the Delta non-profit corp, a wholly-owned subsidiary. The bond underwriter said there is an advantage to having this available. It would be an LLC controlled by the Delta Academy Governing Board.

Mr. Ross makes the motion to approve the Purchase Sale Agreement, the Reimbursement Resolution and formation of an LLC.

First: Mr. Mark Ross

Second: Mr. Jamie Brockway

Vote: Unanimous

6. FY25 Financial Report

The board was given a copy of the balance sheet which shows \$7,057,000 in investment funds and \$750,000 in the checking account. Fiscal year to date, the revenue is \$11,500,000 and expenses are \$10,300,000. Delta is doing well financially. There are some unknowns with the school matching CCSD's teacher and administrator pay scales as they are going through contract negotiations with the unions.

7. 2025-2026 Tentative Budget

Removed from the agenda.

8. Administrator Report

Dr. Konold stated that the transition to the SPCSA is going relatively smoothly. Delta staff has been invited to SPCSA trainings, which did not occur with CCSD. A new Assembly Bill (AB 495) has added a clause where it is not an auto closure for 1 star schools, 3 out of 5 years as long as there is progress being made. This is huge for the finance group to see as well. Delta outperforms all the surrounding schools in a very urban area and Dr. Konold will fight that battle if necessary.

Mr. Bruce Congleton would like to recognize the other administrators. Dr. Fredricks, the high school principal, is busy with graduation, senior activities, and end of the year projects. Mr. Austin Congleton, the junior high principal has put forth diligent effort on testing with help from the outreach facilitators and other staff. Mr. Noe Noriega, the ELL director, has been working hard on getting as many points on the ELL evaluation in order to help the school get to that 2 star rating. Mrs. Rosa Osman, a curriculum director, has been working with teachers every week on procedures and plans to help the students improve. Dr. Konold works hard all the time.

Dr. Lashon Fredricks has worked alongside Dr. Konold for seventeen years in addition to Bruce and all the administrators. The school will be graduating a record number of seniors this year.

Mr. Austin Congleton adds credit to the teachers in all their help with testing. He thinks that there is a great shot at reaching a 2 star rating this year.

Dr. Konold suggests Wednesday April 30th at 3 PM for the next board meeting and due diligence update.

9. Adjournment

Motion to adjourn:

First: Mr. Mark Ross

Second: Mr. Jamie Brockway

Vote: Unanimous

Meeting adjourned at 3:59pm.