

MINUTES OF MONTICELLO ACADEMY BOARD OF TRUSTEES

Special Meeting —December 13, 2019

A SPECIAL ELECTRONIC MEETING OF THE MONTICELLO ACADEMY BOARD OF TRUSTEES WAS HELD ON THURSDAY, NOVEMBER 7, 2019 AT 1:50 PM, AT 2782 CORPORATE PARK DRIVE, WEST VALLEY CITY UTAH. THE MEETING WAS CALLED TO ORDER BY JOEL COLEMAN.

The following Trustees were present:

Joel Coleman (participated via Zoom video conference)
Jennifer Warnas (participated via Zoom video conference)
Martell Winters

The following Administrators were present:

Dane Roberts

- 1. Approval of Minutes.** Ms. Warnas moved to approve the minutes of [November 7, 2019](#), seconded by Mr. Winters.

A roll call vote was taken:

Mr. Coleman	Yes
Mr. Winters	Yes
Ms. Warnas	Yes

The motion to approve the minutes passed unanimously.

- 2. Approval of West Point Campus Lease.** Ms. Coleman introduced this business item by describing to board members how the board previously established Monticello Academy Properties (MAP) as an entity to hold school property, engage leases, and so forth. She acknowledged that strategy with MAP was never realized, and that the school itself (Monticello Academy, Inc) will directly own or lease school property as we move forward.

Mr. Joel Wright, the real estate attorney for Monticello Academy, discussed various aspects of the facility lease for the MA West Point campus with board members, including the following items:

Price: The rent is approximately \$16 per square foot for the first two years, and then goes to about \$19 a square foot in year three, and then increases by the WPU percent going forward, which has historically been close to the rate of inflation or a little above. A nice feature is that the school only pays 18% of gross revenue the first two years, and then 20% of gross revenue starting in year three and going forward. In the event of less than full enrollment, this will give the school much more flexibility to adjust their budget. These lease rates are at or below current market lease rates for charter schools.

Term: The term is for 30 years, which is standard for a charter school lease.

Financing: Not applicable. No financing.

Option to Purchase: As per Exhibit C in the Lease, the School may purchase the facility for \$12 million until November 30, 2022; and then may purchase it at the greater of \$12 million or the appraised price after November 30, 2022. Market comparables have led us to conclude that this price is equal to or less than the prices that other schools are paying.

Penalties: School has to pay a 5% late fee on any rent that is more than 15 days late, and can be charged interest on late payments of 12% annually. These are reasonable and common penalties.

School's Responsibilities: this is a standard "triple net" lease meaning that the school is responsible for all taxes, utilities and insurance on the property. In addition, the school is responsible for all repairs, though the landlord warrants all construction during the first year of occupancy. This is also fairly standard in charter school leases.

Following the in-depth discussion of the proposed West Point lease, Mr. Winters moved to approve the lease contingent upon no material comments from the State Charter School Board within two weeks.

A roll call vote was taken:

Mr. Coleman	Yes
Mr. Winters	Yes
Ms. Warnas	Yes

The motion passed unanimously.

- 3. Annual Board Training for Utah Open and Public Meetings Compliance.** Mr. Coleman explained to board members that there is an annual requirement to review the Utah open and public meetings for charter school boards. Mr. Winters and Ms. Warnas reminded those present that board members had recently completed online training for open and public meetings, and Ms. Randi Limb stated that it is also necessary to acknowledge training during a board meeting and to document it in the minutes. Mr. Coleman discussed various aspects of the Utah public meetings law to comply with the annual training compliance requirement.

THERE BEING NO FURTHER BUSINESS OF THE MONTICELLO ACADEMY BOARD OF TRUSTEES THE SPECIAL ELECTRONIC MEETING OF THURSDAY, DECEMBER 13, 2019, WAS ADJOURNED AT 2:13 PM BY MR. COLEMAN.

I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the special electronic meeting of the Monticello Academy Board of Trustees held December 13, 2019.

Joel Coleman

Secretary