

7145 Babcock Street, S.E.
Palm Bay, Florida 32909
Phone (321) 723-0650
Fax (321) 722-1117
www.royalpalmcharter.com

9/27/23 @ 3:00 PM
Board of Directors Meeting Agenda

Directors:

Lori Grodecky, President
Erik Brown, Vice President
Alisha D'Alessandro Rozynski, Secretary
Kyley Haynes, Treasurer
Rachel Costa, Member

- I. **Call to Order** Brown motioned to call the meeting to order, Costa 2nd Rozynski mentioned to adopt the agenda, Costa 2nd
- II. **Roll Call** Grodecky, Rozynski, Haynes, Costa and Sviben present in person, Brown and Melissa Arnold on zoom
- III. **Reports and Presentations:** Brown and Arnold explained the attached closing documents. The goal is to close on the loan on Friday. After the meeting, Grodecky and Rozynski will sign the signature pages so once everything is ready they will be released and we will officially close. Brown motioned to adopt resolution as written, Rozynski 2nd. Grodecky called for a vote, all agreed.
 1. Review Ameris Loan Documents
 2. 22-23 Final Budget Review Grodecky explained the final budget attached
- IV. **Consent Agenda:** Rozynski motioned to adopt the consent agenda, Brown 2nd
 1. Approval of loan with Ameris Bank for Phase 2 expansion
 2. Approve 22-23 Final Budget
- V. **Non-Consent Agenda:**
 1. Next Meeting: Thursday, October 26, 2023 at 5:30PM
- VI. **Public Comment:** None
- VII. **Motion to Adjourn:** Brown motioned to adjourn, Rozynski 2nd.

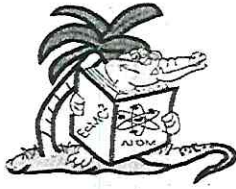
Approved by: _____

1/3/2024
Date:

Erik Brown

Royal Palm Charter School

Board Vice President



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I. Call to Order

II. Roll Call

III. Reports and Presentations:

1. Review Ameris Loan Documents
2. 22-23 Final Budget Review
 - i. Enrollment – see attachment

IV. Consent Agenda:

1. Approval of loan with Ameris Bank for Phase 2 expansion
2. Approve 22-23 Final Budget

V. Non-Consent Agenda:

1. Next Meeting: Thursday, October 26, 2023 at 5:30PM

VI. Public Comment:

VII. Motion to Adjourn:

**CERTIFICATE OF CORPORATE RESOLUTIONS OF
ROYAL PALM CHARTER SCHOOL, INC.**

The undersigned, Alisha Rozynski D'Alessandro, hereby certifies that she is the duly elected and qualified Secretary of Royal Palm Charter School, Inc., a Florida not for profit corporation (the "Company"), and that the following is a true and correct copy of resolutions adopted at a duly noticed meeting of the Board of Directors (the "Directors") of the Company held on September 27, 2023, at which meeting a quorum of the Directors were present:

WHEREAS, the Company is a Florida not for profit corporation currently in existence under valid articles of incorporation and has not been terminated or dissolved;

WHEREAS, the Company desires to enter into a loan agreement in the initial principal amount of \$1,822,840.00 (the "Loan") from Ameris Bank (the "Lender"), to be used towards expansion of the Company's existing facility;

WHEREAS, the Company previously entered into a Letter of Intent (the "LOI"), dated March 27, 2023, and executed April 13, 2023, outlining the general business terms for the Loan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COMPANY:

RESOLVED, that the Board President, Lori Grodecky, or if unavailable, another Officer who is a Director of the Company, attested as necessary by another Officer who is a Director of the Company, is hereby authorized, empowered and directed to take such actions required by and enter into, execute and deliver all documents necessary, on behalf of the Company, to enter into and effectuate the Loan; all that are consistent with the LOI and in final form acceptable to legal counsel to the Company, and to execute and deliver any and all other ancillary documents, supplements, and amendments required in connection therewith, including without limitation of the forgoing, the documents listed on Exhibit "A," attached hereto and incorporated herein; and be it

FURTHER RESOLVED, that any actions taken, and documents executed, by the authorized signatories of the Company prior to the date hereof in connection with the Loan, including without limitation, the LOI, are hereby ratified, confirmed and approved.

IN WITNESS WHEREOF, the undersigned has executed this corporate action this 27th day of September 2023, and the actions contained herein shall be effective as of such date.

[signature page follows]

ROYAL PALM CHARTER SCHOOL, INC.

By: Alisha Rozynski D'Alessandro
Name: Alisha Rozynski D'Alessandro
Title: Secretary

Attest:

By: Hori Grodecky
Title: President

EXHIBIT A

1. Loan Agreement;
2. Promissory Note;
3. Mortgage, Security Agreement and Fixture Filing;
4. Absolute Assignment of Leases and Rents;
5. Security Agreement;
6. Environmental Indemnity Agreement;
7. Collateral Assignment of Project Documents.



March 27, 2023

Royal Palm Charter School, Inc.
Attn: Shannon Sviben, Principal
7145 Babcock St. SE
Palm Bay, Florida 32909

(Via Email)

Dear Ms. Sviben:

On behalf of Ameris Bank (hereinafter "Lender"), I am pleased to extend to you this Letter of Interest. A Letter of Interest is not a commitment to lend, but rather a detailing of the terms and conditions that we will attempt to obtain on your behalf.

TERMS & CONDITIONS

Borrower: Royal Palm Charter School, Inc.

Guarantor(s): N/A

Loan Amount: \$1,822,840.00

Loan Type: USDA Community Facilities Guaranteed Loan

Purpose: Demolish two existing buildings currently being used for classrooms located at 7147 (2,520 SF modular bldg) and 7155 (3,467 SF bldg currently not used) SE Babcock St., Grant-Valkaria, FL 32909 and cover all costs to construct one new 8,620 SF permanent replacement building for the same use.

Term: The Loan will have a term of 456 months from the note date. The first 12 months will be the construction period of the loan, the remaining 432 months will be the amortizing period of the loan.

Interest Rate: Wall Street Journal Prime Rate plus 1.5% floating, with quarterly adjustments during the 12 month construction period, then switching upon conversion to an amortizing loan to 3 Year CMT + 3.67%, adjusting every 3 years. If the loan were to close today, the initial interest rate would be 9.5% during the construction period. If the loan were to convert to the amortizing portion of the loan, the rate would be 7.25%.

Interest shall be calculated on a 360-day basis, actual days lapsed.

Repayment: Interest-only payments for 12 months, followed by principal and interest payments for 432 months. If the loan were to close today and begin amortizing, the monthly principal and interest payment would be approximately \$11,932.

Prepayment Penalty: When, in any one of the first eleven years from the date of the initial disbursement, Borrower voluntarily prepays any amount of the outstanding principal balance of the loan, Borrower must pay to Lender a prepayment fee for that year as follows:

For the duration of the construction period of the loan - 10%, then

Upon conversion to the amortizing period of the loan the prepayment will be a declining amount over ten years equivalent to Year 1 – 10%; Year 2 – 9%; Year 3 – 8%; Year 4 – 7%; Year 5 -6%; Year 6 – 5%; Year 7 – 4%; Year 8 – 3%; Year 9 – 2% and Year 10 - 1%. After the tenth year of the amortizing period of the loan there will be no prepayment penalty.

Use of Proceeds: The loan proceeds, in addition to Borrower's injection, will be used as follows:

Use of Proceeds	Ameris Bank	Owner's Equity	Other	Total
Phase I work		218,427		218,427
Phase II Work:				
Construction	1,509,836			1,509,836
Contingency	105,688			105,688
Bond/Const Completion	48,466			48,466
Interest Reserve	95,000			95,000
Construction Soft Costs	63,850	14,165		78,015
Ameris Bank Origination Fee		9,114		9,114
USDA Guaranty Fee		18,229		18,229
Closing Costs& 3rd Party Reports		68,886		68,886
Totals:	1,822,840	328,821		2,151,661
Percentages:	84.72%	15.28%	0.00%	100%

Out of Pocket Costs: If the loan does not close, all third-party expenses incurred on behalf of this loan request will be paid by Borrower. These expenses include (but are not limited to) attorney fees, appraisal fees, environmental assessment fees, etc.

Collateral: The loan will be secured by the following:

Asset Type	Address	Lien Position
Commercial Real Estate	7135-7155 SE Babcock St., Grant-Valkaria, FL 32909	2nd
FF&E	7135-7155 SE Babcock St., Grant-Valkaria, FL 32909	2nd

Appraisal: A satisfactory appraisal ordered and reviewed by Lender will be required. Collateral will need to appraise for no less than \$5,465,000 total (\$5,315,000 for CRE and \$150,000 for FF&E) and be acceptable to the Lender and USDA.

Environmental: A satisfactory Phase 1 Environmental Report and NEPA report to the satisfaction of USDA will be required.

Financial Feasibility: A satisfactory Financial Feasibility report will be required. This may need to be prepared by an independent third party.

Life Insurance: N/A

Tax and Insurance: Borrower shall maintain liability, property, and other insurance as required. Lender will be named as Mortgagee/Loss Payee on all policies. Borrower must keep current all applicable property taxes.

Financial Reporting: Borrower will provide Lender with annual federal income tax returns and audited financial statements prepared in accordance with Generally Accepted Accounting Principles within 120 of each fiscal year end.

Other Conditions: This loan is being considered under the USDA Community Facilities Guaranteed Loan Program. In addition to the conditions set forth herein, this proposal is subject to and conditioned on the Lender's receipt of a USDA Guarantee of 80% of the loan amount. The USDA Conditional Commitment, if issued, may contain additional terms and conditions. All conditions applicable to both a USDA approval and an Ameris Bank approval must be met by the Borrower.

Borrower will be expected to execute all loan documents required by Lender and Lender's attorney.

Borrower may be required to maintain certain annual financial covenants for the life of the loan. These covenants will be calculated using the audited fiscal year end financial statements. Typical covenants include a minimum Debt Service Coverage ratio (DSC), a minimum Current Ratio, and a maximum Debt-to-Net Worth ratio.

The Loan will adhere to standard Ameris Bank construction loan requirements (including construction risk management by a third-party firm).

Time is of the Essence

Borrower agrees that time is of the essence regarding this transaction. Accordingly, Lender may use the funds collected as a part of this document for ordering standard / customary third-party reports. These reports may include (but are not limited to) appraisals, business valuations, title reports, construction budget reviews, etc.

Please indicate your preference below:

- ☒ Yes, I agree with the preceding paragraph and wish to have third-party reports ordered prior to loan approval.
- ☐ No, I do not agree to have third-party reports ordered in advance of loan approval. I understand that by waiving this option the time between loan approval and closing may be extended considerably (example: an appraisal typically takes 3-4 weeks from the ordering date to the completion date).

Initials of authorized signer: _____

Initial Deposit

Regardless of the above selection, Lender requires an expense deferral deposit ('EDD') of \$0 (\$11,500-11,500 already paid) for preparing a loan presentation for submission to our loan committee. If the loan request is not approved on terms and conditions materially similar to those contained herein, the EDD will be refunded to you (less any out of pocket expenses incurred). If you withdraw your application prior to its presentation to loan committee – or if you decline to accept an approval letter that is materially similar to the terms contained herein

- the EDD will become fully earned and nonrefundable. If you accept an approval letter from us, the deposit will be credited to you at closing.

Lender Fees

Lender will charge a loan origination fee of ½% of the loan amount. This charge to the Borrower represents a reasonable amount for loan packaging services, which includes assisting Borrower with completing an USDA CF loan application and related documents. At closing, Lender will document the services provided. We are estimating this fee to be \$9,114 (but will be adjusted at closing to reflect ½% of the loan amount). It is itemized in the project cost grid on Page 2.

Disclaimer: While Borrower is not required to obtain or pay for unwanted services (such as a packaging fee), acceptance of this proposal constitutes a request for Lender to perform reasonable and customary services at market-rate costs.

If the terms of this letter are acceptable, please sign where indicated below, and remit the above-referenced EDD amount within 10 business days of this letter's issuance date. The financial remittance may be made in one of the following ways:

1. Mail us a check to the address shown below this document's signature area.
2. Wire the funds to us. Instructions are below this document's signature area.

Please call or email Julia Butler with any questions regarding the check or wire process. Her phone number is 678-553-8569, and her email address is julia.butler@amerisbank.com.

We appreciate the opportunity to provide financing for your business. If you have any further questions, please contact me at (586) 531-7330.

Sincerely,

Doug Dunkelberg

Doug Dunkelberg, SVP & Sr. USDA Loan Officer
Government Guaranteed Lending Division

Applicant's Acknowledgment:

Royal Palm Charter School, Inc.

By: _____
Shannon Sviben, Authorized Signer

Accepted and agreed to this _____ day of _____, 2023.

Mailing instructions

Julia Butler
Ameris Bank - GGL Division
3490 Piedmont Rd NE, Suite 750
Atlanta, GA 30305

Wire Instructions

To: Ameris Bank
Address: 225 South Main Street - Moultrie, GA 31768
Phone: (678) 553-8569
Routing: 061201754
Customer Name: , Inc.
Credit Funds to: Acct. # 152011 (Ameris Bank's GGL Department / Julia Butler)

Additional Items Needed for Full Underwriting:

Borrower has submitted necessary items for underwriting. If additional items are required during the underwriting process, those will be requested as needed from the Lender or the USDA.



AMERIS BANK

May 3, 2023

Shannon Sviben, Principal / Executive Director
 Erik Brown, Vice President of Board of Directors
 Royal Palm Charter School, Inc.
 7145 Babcock Street SE
 Palm Bay, Florida 32909

Re: USDA Community Facility Guaranteed Loan Commitment

Dear Shannon and Erik:

This letter constitutes a commitment (the "Commitment") of Ameris Bank ("Lender") to make a loan (the "Loan") to the borrower described below under the following terms and conditions:

Borrower: Royal Palm Charter School, Inc. ("Borrower", whether one or more), a 501(c)(3) entity organized in the State of Florida

Purpose: To provide financing for the demolition of two existing modular buildings, and the construction of one new replacement building ("Project").

Loan Amount: Up to \$1,822,840.

The Loan Amount allocated to provide financing for all eligible real estate costs as described in this Commitment's Sources and Uses paragraph is subject to receipt and acceptance of an appraisal on real estate located at 7135, 7145, 7147, and 7155 SE Babcock St, Palm Bay, FL 32909 in an amount to equal or exceed \$5,540,000 (\$5,390,000 for the CRE, and \$150,000 for FF&E). Should any valuation be less than expected, the Lender may require additional equity injection or collateral to be pledged, in order to adequately secure the loan.

Sources and Uses: The estimated sources and uses of the funds used for the Project would be as follows:

	Uses	Sources	
		Loan	Equity Injection
	Project Costs	USDA Loan	Equity Injection (Cash or Asset)
Project Phase I (Site Work, etc.)	\$262,486	\$0	\$262,486
Ground Up Construction	\$1,509,836	\$1,509,836	\$0
Construction Soft Costs	\$126,481	\$112,316	\$14,165
Construction Contingency	\$105,688	\$105,688	\$0
Interest Reserve	\$95,000	\$95,000	\$0
Closing Costs	\$78,000	\$0	\$78,000
USDA Gty Fee	\$25,520	\$0	\$25,520
Total	\$2,203,011	\$1,822,840	\$380,171
%	100%	82.74%	17.26%

Required Equity: Based on the amount of the Loan, estimated Borrower's equity injection is \$380,171. All costs of the Project will be funded first by Borrower until the projected amount of Borrower's full equity injection has been paid into the Project. Evidence that Borrower has satisfied this equity injection requirement must be provided prior to closing or prior to the first draw request. Project costs include land payoff, loan closing costs, construction contract, and any other costs outside the contract(s) that must be paid in order for the Project to reach 100% completion. Such other costs may include impact fees, building permits, architect/design/development fees, cost of payment and performance bonds, inspection fees, preliminary review of plans and specifications, survey costs, builder's risk insurance, and more.

The source of the Borrower's equity injection must be clearly identified and documented as required by the USDA. Including copies of the statements of accounts for the account from which the funds are being withdrawn for each of the two most recent months prior to disbursement showing that the funds were available.

Maturity Date: 456 months from the date of the Note.

Repayment: Borrower will repay the Loan in 12 consecutive monthly installments of accrued interest only followed by 444 consecutive monthly installments of an amount that would repay the principal of and the interest on the Loan in full.

Interest Rate: Interest will accrue at a variable rate of Wall Street Journal Prime Rate (WSJP) + 1.50%, adjusting calendar quarterly during the 12-month construction period. Thereafter, pricing will convert to 3 Year CMT + 3.67%, adjusting every 3 years. The rate will be set based on the index plus the spread at the time of closing.

Payment: Initial principal and interest payments are estimated to be \$11,961. The Lender will adjust the payment amount at least annually as needed to amortize principal over the remaining term of the note.

USDA Financing: Lender's conditional approval is subject to eligibility under USDA CF Program with 80% guarantee. The funds provided by Lender for this transaction are not available to Borrower at terms and rates equal to those set forth herein without USDA's participation. The Loan is subject to Lender's receipt of approval of the Loan by the USDA and the issuance by the USDA of an authorization for the Loan and the Project. Borrower agrees to comply with the authorization issued or to be issued by USDA regarding the Project and to provide evidence to Lender of compliance with each and every requirement therein. Borrower will cooperate with Lender, the USDA, and their respective agents, attorneys and assigns in complying with the terms of such authorization.

Guaranty Fee: A one-time USDA guaranty fee of \$25,519.76 on only the guaranteed portion of the USDA loan will be due and payable within 90 days of USDA approval to the U.S. Department of Agriculture. This fee has been incorporated into the total project cost and will be paid from equity injection or loan proceeds. Bank will be responsible for payment of the USDA's required annual renewal fee of 0.5% of the outstanding principal balance at year-end.

Expenses: Borrower shall pay all costs and expenses incurred in connection with the origination, processing, closing or administration (including, without limitation, any costs and expenses related to Loan disbursements, including, without limitation, USDA fees and costs, filing fees, taxes, lien searches, title insurance, survey, environmental investigation, environmental insurance, flood insurance (when applicable), appraisal and attorney fees, Lender approved third party inspectors and document preparation), whether or not the Loan actually closes.

Collateral: (a) A second perfected mortgage, deed of trust, security deed, or deed to secure debt on 7135, 7145, 7147, and 7155 SE Babcock Street, Palm Bay, FL 32909 and on any improvements now or hereafter located thereon (the "Real Estate"), and, in Lender's discretion, a perfected collateral assignment of all leases (entered into by the Borrower as lessor) and rents related to the Real Estate. This lien is subject only to a prior lien held by Ameris Bank not to exceed \$2,861,778. This property is commercial.

(b) A second-priority perfected security interest in all Borrower's assets, whether now owned or hereafter acquired, including, without limitation, all machinery, equipment, fixtures, inventory, goods, and other tangible property, all accounts, contracts and general intangibles, all moneys and deposit accounts, and all investment property or securities. Ameris Bank holds the first lien.

Conditions Precedent: The Loan is subject to Lender's receipt of and satisfaction, in its sole discretion, with the following which shall be provided at Borrower's sole cost and expense:

1. **Real Estate Appraisal:** A current appraisal or evaluation of the Real Estate which (i) is based on the assumption that the Project will be completed in accordance with the plans and specifications, (ii) satisfies all applicable legal and regulatory requirements, (iii) is, in form, substance and content, acceptable to Lender, and (iv) is prepared by a state licensed or certified appraiser or evaluator selected and retained by Lender.

2. **Tax Return Verification:** Borrower must sign and date the IRS Form 8821/4506T, Request for Copy or Transcript of Tax Form. Information received from the IRS will be compared with the financial data or tax returns submitted by or on behalf of Borrower and Guarantor. Any discrepancies in such information must be resolved to the satisfaction of Lender. In resolving such discrepancies, Lender may share Borrower's and Guarantor's financial information with any government agency, including, but not be limited to the USDA, Internal Revenue Service (IRS), and the Department of Justice. If purchase of an existing business this section would apply
3. **Title Insurance:** Title insurance must be provided by a title insurer acceptable to Lender, under a mortgage title insurance policy, insuring Lender's lien on Real Estate, subject only to such exceptions as are approved by Lender or its counsel.
4. **Survey.** Survey(s) will be required on all commercial real estate taken as collateral. The type will be determined by the Lender and will be based on the scope of the project.
5. **Construction Documentation:** For a construction loan, within fifteen days prior to closing of the Loan, Borrower shall deliver to Lender the construction budget for the Project, a complete set of plans and specifications for the Project, and a signed contract for the construction of the Project, which construction contract must be either a fixed price or a guaranteed maximum price contract. Such documents must be, in Lender and USDA's judgment, acceptable to accomplish the satisfactory construction and completion of the Project. An assignment of such documents to Lender may be required.
6. **Third Party Monitoring:** For loans including a substantial amount of construction or leasehold improvements third party monitoring will be required. In the absence of any lien waivers requested from the third party inspector a Payment and Performance Bond will be required.
7. **Hazardous Waste Investigation:** Such studies, investigations and reports as Lender shall deem necessary or desirable to determine that no hazardous substances or pollutants are now, or have ever been, located on the Real Estate or real estate adjacent thereto, or if they have, what requirements must be met to bring the Real Estate into compliance with state, federal and local environmental laws and regulations. Lender may, in its sole discretion, permit Borrower to obtain hazardous waste insurance in lieu of providing such studies, investigations and reports. If any hazardous waste investigation is deemed unacceptable to Lender, in its sole discretion, Lender shall have the option of terminating this Commitment. Bank is in receipt of this report.
8. See additional conditions listed under Exhibit B.

Loan Disbursement: Disbursement of the Loan proceeds will be made by Lender only after all required equity has been contributed to the Project and shall be made in accordance with the USDA Conditional Commitment and the loan agreement. The USDA has restrictions on the use of loan proceeds. Please contact your Ameris Portfolio Manager to determine whether your expenditures before and after loan closing will be eligible for reimbursement. Borrower may be required to provide copies of invoices and/or cancelled checks prior to first and each following disbursement. Lender may require periodic inspections of work completed by an approved inspector prior to each disbursement, with the costs of such inspection services to be paid by Borrower.

Deposit Account: Borrower is encouraged to maintain its principal deposit accounts with Lender.

Treasury Management Services: Lender currently offers Treasury Management Services to its business customers. If Borrower needs to use any such services, Borrower agrees to allow Lender the first opportunity to provide such services.

Automatic Payment: Borrower agrees that Lender may automatically deduct the amount of any Loan payment from Borrower's deposit account number TBD maintained with Ameris Bank or TBD (the "Account"). If the funds in the Account are insufficient to make any Loan payment on the date on which such payment is processed, Lender shall not be obligated to advance funds to cover the Loan payment, nor shall Lender be obligated to accept or process any partial Loan payment. Lender may discontinue, terminate or cease processing automatic payments at any time in Lender's sole discretion.

Prepayment Fee: When, in any one of the first eleven years from the date of the initial disbursement, Borrower voluntarily prepays any amount of the outstanding principal balance of the loan, Borrower must pay to Lender a prepayment fee for that year as follows:

- For the duration of the construction period of the loan, the prepayment is 10%.
- Upon conversion to the amortizing period of the loan the prepayment will be a declining amount over ten years equivalent to Year 1 – 10%; Year 2 – 9%; Year 3 – 8%; Year 4 – 7%; Year 5 – 6%; Year 6 – 5%; Year 7 – 4%; Year 8 – 3%; Year 9 – 2% and Year 10 – 1%. After the tenth year of the amortizing period of the loan there will be no prepayment penalty.

Loan Documents: The obligations of Borrower and Guarantor hereunder shall be evidenced by promissory note(s), loan agreement(s), guaranty agreement(s), mortgage(s)/deed(s) of trust/security deed(s)/deed(s) to secure debt, security agreement(s), assignment(s) of rents, leases and income, and UCC financing statement(s) acceptable to the Lender, as applicable, and such other documents and assurances as Lender may request in order to make the Loan in form and content satisfactory to Lender and its counsel. All such documents and assurances are herein referred to as the “Loan Documents.” This Commitment contains only a general outline of the terms and conditions applicable to the Loan. The complete terms and conditions of the Loan will be incorporated into the Loan Documents.

Signs: At Lender’s request, Borrower shall place upon the Project a sign advertising that financing is being provided by Ameris Bank.

Insurance: Evidence of insurance will be required on any and all Collateral in such amounts, with such companies and against such risks as may be satisfactory to Lender. All such policies shall name Lender as an insured mortgagee or an additional loss payee, as appropriate and as acceptable to Lender, and shall contain an agreement by the insurer that the policy shall not be canceled without at least thirty (30) calendar days prior written notice to Lender.

Financial and Management Covenants: The Loan Documents will contain such representations, warranties and covenants deemed necessary or advisable by USDA, Lender and its counsel, including, without limitation, those set forth on Exhibit A.

Termination: This Commitment may be terminated by Lender if (a) there is a change in the structure or ownership of Borrower or any Guarantor; (b) a material adverse change in the condition (financial, business or otherwise) of Borrower or any Guarantor shall occur; (c) Borrower or any Guarantor or any principal, general partner, manager or member thereof shall file or make or have filed or made against such person a petition in bankruptcy, an assignment for the benefit of creditors or an action for the appointment of a receiver, or shall become insolvent, however evidenced; (d) Borrower or any Guarantor or any principal, general partner, manager or member thereof shall become deceased or mentally incapacitated; (e) any information provided to Lender by Borrower is found to be inaccurate, incomplete or to have been misrepresented; (f) any other debt to Lender of Borrower or any Guarantor or a related entity is in default; (g) any potentially unusual, irregular or suspicious activity is detected with respect to Borrower, Guarantor or their loan, deposit or other accounts or relationships with Lender, (h) the name (or any derivation thereof) of Borrower or Guarantor or any principal of Borrower or Guarantor appears on a list of suspects issued to financial institutions by the Office of Foreign Assets Control, the Financial Crimes Enforcement Network, the Federal Reserve Board, or any other governmental entity or agency.

Default: Should the small business default on the USDA-guaranteed loan and USDA suffers a loss, the names of the small business and the guarantors of the USDA-guaranteed loan will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

Appraisal Notice & Waiver: If a lien on residential property is required, the lender may order an appraisal to determine the property’s value. The Lender will charge the borrower for this appraisal. The borrower can pay for an additional appraisal for their own use at their own cost. The borrower waives the right to receive a copy of this appraisal for the above referenced property (listed in the Collateral section) three business days prior to loan closing. This waiver does not affect the borrower’s right to receive a copy of the appraisal reports under the Equal Credit Opportunity Act or other law.

Authorization to Pre-File UCC: The Borrower expressly authorizes Ameris Bank and its agents to file UCC financing statement(s) prior to the execution of the loan closing documents. If the loan(s) do not close, Ameris Bank will terminate the UCC filing(s).


Miscellaneous: This Commitment has been issued to Borrower for Borrower’s sole and exclusive benefit, and no third party shall have rights hereunder; nor may Borrower assign its rights under this Commitment. In no event shall either Borrower or Lender be liable to the other for indirect, special or consequential damages, including the loss of anticipated profits, which may arise out of or are in any way connected with the issuance of this Commitment.

Acceptance & Deposit: If the terms and conditions of this Commitment are acceptable, please indicate your agreement by signing in the space provided on the enclosed copy of this letter and returning the original to the Bank, along with an expense deferral deposit of **\$6,728.00** which shall be applied to the loan closing costs at closing. Should the loan not close due to no fault of the Borrower and/or Guarantors, the subject deposit will be refunded to the Borrower (minus any Bank costs associated with the loan request). This Commitment shall become null and void if not accepted within seven (7) calendar days of the date of this Commitment letter, and the Loan closed within ninety (90) calendar days of the date of this Commitment letter. Additional requirements subject to the Lenders discretion.

Jury Waiver: Lender and Borrower waive the right to any jury trial in any claim, dispute, action, proceeding or counterclaim between Lender and Borrower.

If you have any questions concerning the terms of this Commitment, please do not hesitate to call me at (586)531-7330.

Sincerely,

DocuSigned by:

53A222198EC642C...

Doug Dunkelberg
Sr. USDA Loan Officer

Accepted this 3rd day of May, 2023

BORROWER SIGNATURE ON FOLLOWING PAGE

BORROWER:

Royal Palm Charter School, Inc.

DocuSigned by:

Erik Brown

E11EC7F574C34D5...

By: Erik Brown

Its: Board Vice President

Mailing instructions

Julia Butler

Ameris Bank - GGL Division

3490 Piedmont Rd NE, Suite 750

Atlanta, GA 30305

Wire Instructions

To: Ameris Bank

Address: 225 South Main Street - Moultrie, GA 31768

Phone: (678) 553-8569

Routing: 061201754

Customer Name: Royal Palm Charter School, Inc.

Credit Funds to: Acct. # 152011 (Ameris Bank's GGL Department / Julia Butler)

Exhibit A

Financial and Management Covenants

During the term of the Loan and for so long as any portion of the Loan remains outstanding, Borrower will:

Accounting Records: Keep proper books and records in accordance with generally accepted, cash basis or sound accounting principles applied on a consistent basis and permit Lender or its designee to inspect or audit such books and records from time to time as Lender may, in its sole discretion, deem necessary or desirable.

Financial Statements: Borrower shall furnish Lender, within ninety (90) days of the end of Borrower's Fiscal Year, annual Audited Financial Statements. To include balance sheet, profit and loss statement, and any applicable accountant's notes, all prepared in accordance with GAAP.

Minimum Debt Service Coverage Requirement: Borrower's debt service coverage ratio based upon year-end financial statements and as defined by GAAP, shall not fall below 1.10x. Defined as EBITDA / Annual Principal and Interest Payments. EBITDA is defined as Earnings Before Interest, Taxes, Depreciation, and Amortization. Earnings are exclusive of non-recurring income, as determined at Lender's discretion.

Distributions: Not make any distribution of company assets that will adversely affect the financial condition of the Borrower without Lender's prior written consent.

Ownership Changes: Not make any change in the ownership structure or interests in the Borrower during the term of the Loan.

Transfer of Assets: Not sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Loan), or otherwise dispose of any of Borrower's property or assets, except in the ordinary course of business.

Exhibit B

Additional Conditions of Approval

- **Subject to 80% USDA Guaranty – USDA Community Facility Guaranteed Loan**
- Evidence of cash injection of no less than \$380,171 to be verified prior to closing.
- **Business Real Estate & Construction Requirements – 7135, 7145, 7147, and 7155 SE Babcock Street, Palm Bay, FL 32909**
 - The proposed transaction will be secured by a second mortgage lien on 7135-7155 SE Babcock St, Palm Bay, FL 32909. The first mortgage on the property is also held by Ameris Bank.
 - Phase I Environmental Report and NEPA Report subject to satisfactory Lender and USDA review. Report has been submitted to USDA.
 - Executed AIA construction contract to be reviewed prior to closing, subject to satisfactory Lender and USDA review.
 - 3rd party construction monitoring will be required. Statement will be required from construction management firm (or project architect) that project was built per plans/specs with only minor deviations (if any), and in accordance with BABAA.
 - An “as completed” appraisal is a condition of approval, indicating FMV of no less than \$5,390,000 for CRE, and \$150,000 for FF&E. Subject to satisfactory Lender and USDA review.
- **Additional Items:**
 - Any additional terms required in the USDA’s conditional commitment letter, AND/OR
 - Any other requirements deemed necessary and/or prudent by Ameris Bank and/or the USDA.

Royal Palm Charter

Profit & Loss Budget vs. Actual

July 2022 through June 2023

Accrual Basis

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3200 . Federal through state and local				
3230 . IDEA Funds	5,838.88			
3240 . Title I	176,482.99	156,363.00	20,119.99	112.9%
3261 . School Lunch Reimbursement	201,909.14	91,182.00	110,727.14	221.4%
3270 . ESSR CARES	259,989.52	459,315.00	-199,325.48	56.6%
3200 . Federal through state and local - Other	27,496.14			
Total 3200 . Federal through state and local	671,716.67	706,860.00	-35,143.33	95.0%
3300 . State sources				
3310 . FEPF				
3311 . ED Fac Security Grant	2,389,367.36	2,286,270.00	103,097.36	104.5%
3330 . Classroom Supply Assistance	3,318.39			
3361 . School Recognition Funds	5,689.89			
3371 . VPK	61,528.00			
3397 . Capital Outlay Funds	0.00			
3399 . Miscellaneous State Sources	221,661.00	188,739.00	32,922.00	117.4%
Total 3300 . State sources	2,681,564.64	2,475,009.00	206,555.64	108.3%
3400 . Revenue from Local Sources				
3398 . Sales surtax	352,767.86	259,720.00	93,047.86	135.8%
3440 . Donations	500.00			
3451 . Student Lunches	688.84			
3473 . School-Age Child Care Fees	86,475.08	60,332.00	26,143.08	143.3%
3474 . PTO	17,782.98			
3477 . Clubs & Sports	4,843.13			
3490 . Miscellaneous Local Sources				
3495 . Other Misc Local Sources	7,777.72			
3490 . Miscellaneous Local Sources - Other	26,226.75	17,133.00	9,093.75	153.1%
Total 3490 . Miscellaneous Local Sources	34,004.47	17,133.00	16,871.47	198.5%
Total 3400 . Revenue from Local Sources	497,062.36	337,185.00	159,877.36	147.4%
Total Income	3,850,343.67	3,519,054.00	331,289.67	109.4%
Gross Profit	3,850,343.67	3,519,054.00	331,289.67	109.4%
Expense				
100 . Salaries				
110 . Administrator	352,677.91	328,750.00	23,927.91	107.3%
111 . Administrator - Bonus	2,500.00			
120 . Classroom Teacher	1,440,092.87	1,243,619.00	196,473.87	115.8%
121 . Classroom Teacher - Bonus	1,087.82			
130 . Other Certified	48,312.48	48,889.00	-376.52	99.2%
160 . Other Support Personnel	112,760.84	167,825.00	-55,064.16	67.2%
Total 100 . Salaries	1,957,431.92	1,788,883.00	168,548.92	109.4%

Royal Palm Charter
Profit & Loss Budget vs. Actual
July 2022 through June 2023

Accrual Basis

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
200 . Employee Benefits				
210 . Retirement	34,692.44	52,858.00	-18,165.56	65.8%
220 . Social Security	140,580.87	133,661.00	6,919.87	105.2%
230 . Group Insurance	231,733.49	228,986.00	2,747.49	101.2%
240 . Worker's Compensation	488.25	9,849.00	-9,360.75	5.0%
250 . Unemployment Compensation	337.36			
Total 200 . Employee Benefits	407,832.41	425,354.00	-17,521.59	95.9%
300 . Purchased Services				
310 . Professional & Technical Svcs	99,312.60	211,091.00	-111,778.40	47.0%
320 . Insurance and Bond Premiums	55,530.13	38,200.00	17,330.13	145.4%
330 . Travel	7,570.43	4,800.00	2,770.43	157.7%
350 . Repairs and Maintenance	42,206.51	10,500.00	31,706.51	402.0%
360 . Rentals	63,138.53			
365 . Software Subscriptions	39,301.58			
370 . Communications	4,189.74			
380 . Public Utility Services	14,396.11			
390 . Other Purchased Services	140,863.85	66,200.00	74,663.85	212.8%
Total 300 . Purchased Services	466,509.48	330,791.00	135,718.48	141.0%
400 . Energy Services				
430 . Electricity	55,517.18	47,980.00	7,537.18	115.7%
Total 400 . Energy Services	55,517.18	47,980.00	7,537.18	115.7%
500 . Materials & Supplies				
510 . Supplies	131,321.13	39,640.00	91,681.13	331.3%
520 . Textbooks	101,150.32	166,867.00	-65,716.68	60.8%
570 . Food	72,254.83	65,488.00	6,766.83	110.3%
Total 500 . Materials & Supplies	304,726.28	271,995.00	32,731.28	112.0%
513 . Yearbook				
600 . Capital Outlay	150.00			
640 . Furniture, Fixtures & Equipment				
641 . Capitalized F F & E	11,441.77	88,500.00	-77,058.23	12.9%
642 . Noncapitalized F F & E	0.00	11,000.00	-11,000.00	0.0%
644 . Noncap Computer Hardware	44,206.50			
Total 640 . Furniture, Fixtures & Equipment	55,648.27	99,500.00	-43,851.73	55.9%
670 . Improvements-Non Buildings	51,947.00			
672 . WIP	266,359.41			
Total 600 . Capital Outlay	373,954.68	99,500.00	274,454.68	375.8%

Royal Palm Charter
Profit & Loss Budget vs. Actual
 July 2022 through June 2023

Accrual Basis

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
700 - Other Expenses				
710 - Redemption of Principal	39,510.97	55,000.00	-15,489.03	71.8%
720 - Interest	193,984.31	181,988.03	11,996.28	106.6%
730 - Dues & Fees	71,251.82	55,336.00	15,915.82	128.8%
79017 - Student Activity - Clubs	605.00			
Total 700 - Other Expenses	305,352.10	292,324.03	13,028.07	104.5%
Total Expense	3,871,474.05	3,256,827.03	614,647.02	118.9%
Net Ordinary Income	-21,130.38	262,226.97	-283,357.35	-8.1%
Net Income	-21,130.38	262,226.97	-283,357.35	-8.1%

ROYAL PALM CHARTER
BOARD MEETING
NOTICE
Wed 9/27/23
3:00PM
PUBLIC INVITED

1. Budget Update
 - i. 22-23 Final Budget
2. Building Contract

Join Zoom Meeting

<https://us06web.zoom.us/j/84743631062?pwd=q9AIIYIbifQd9PtPvaVjD88in7wMRF.1>

Meeting ID: 847 4363 1062
Passcode: royalpalm