



Massachusetts Charter School Loan Guarantee Fund Application

The Massachusetts Charter School Loan Guarantee Fund is available to lenders financing a charter school facility expansion. The credit enhancement works to improve the loan-to-value ratio by bringing the "effective" loan-to-value ratio within the financial institution's lending guidelines. The guarantee reduces dollar-for-dollar with principal payments on the loan or bond. The loan-to-value ratio may be up to 100% on real estate owned by the charter school applicant or 90% of the improvements up to \$1,000,000 for leaseholds. There is an annual fee of 0.5% of the guarantee amount.

Please fill in all necessary information in the spaces provided. If additional space is required to answer any question, please use the 'Supplemental Information' section or attach separate pages. There are no application or commitment fees for the loan guarantee program.

* The Massachusetts Charter School Loan Guarantee Fund program is funded in part (69%) by the U.S. Department of Education, which provided a \$10.025 million grant awarded to MassDevelopment, through its Credit Enhancement for Charter School Facilities program. A total of \$4.5 million (31%) is financed by non-federal sources, including \$2.5 million from The Boston Foundation, \$1 million from Local Initiatives Support Corporation, and \$1 million from MassDevelopment.

Loan to be guaranteed:

Lender

Amount \$ Annual rate of interest: Term of Loan

Policy loan-to-value on: Real Estate

For Property that is Owned or Will be Owned by the Charter School:

Current Appraised Value: Real Estate \$

Appraiser Date

Purchase price of Real Estate: \$ Date purchased:

Guarantee Amount Requested: \$

For Property that is Leased by the Charter School:

Guarantee Amount Requested: \$ Cost of total Leasehold Improvements: \$

BORROWER

Borrower's Name

Contact Person Title

Street Address City State Zip Code

Mailing Address (If different from Street Address)

Telephone Fax Email

Website Address

Company Name/Project Title

President/Executive Director

Type of Business

Business Organization: LLC LLP Trust Other

Year school was chartered

Name of entity taking title to the property (If different from above)

Is proposed project applicant/owner a subsidiary of, or affiliated with, any other organization? If yes, describe.

How did you hear about MassDevelopment?

Will the applicant occupy the entire proposed project? Yes No

FINANCIAL INFORMATION

Describe the collateral available as security for the loan. (Include the valuation of the collateral and how it will be maintained/monitored)

List all bank relationships and provide details of existing bank loans (Include names of bank officers). May we contact? Yes No

(1) Bank: Contact:

Existing Loan:
Date Opened Original Balance Current Balance Next Payment due

(2) Bank: Contact:

Existing Loan:
Date Opened Original Balance Current Balance Next Payment due

PROJECT DETAILS (Attach additional pages if necessary)

Location, address w/zip code, and size (in acres) of development project

Explain why the project is being undertaken. How will the proposed loan improve the financial position of the school?

Describe the applicant's capacity to develop and manage the proposed facility, including real estate professionals on staff and/or planned use of consultants. If the applicant is a developer, describe real estate development and management experience as it relates to the proposed project.

If applicable, identify local officials and neighborhood organizations in support of and opposed to the project

Support: Opposition:

Is local government providing any direct financial support or infrastructure improvements to support the project? Yes No Describe.

COMPLETE THE FOLLOWING INFORMATION FOR NEW REAL ESTATE DEVELOPMENT/CONSTRUCTION/LEASEHOLD IMPROVEMENTS

Narrative description of the development concept in detail. If applicable, include number of buildings and their square footage, the anticipated building occupants, the terms of the leases, the building improvements and costs, including tenant fit-up.

COMPLETE THE FOLLOWING INFORMATION FOR REHABILITATIONS OF EXISTING PROPERTIES

Describe the current conditions and existing or past uses of the site. For each building, provide number of stories and square footage.

Describe the proposed uses for the site. If applicable, include the number of buildings, their age, number of stories and square footage, the anticipated building occupants, the terms of leases, the building improvements and costs, including tenant fit-up.

Indicate availability of utilities: Sanitary sewer: Yes No Storm sewer: Yes No Public water: Yes No
 Electricity: Yes No Gas: Yes No Telephone: Yes No
 Cable Television: Yes No Other Yes No

If applicable, please describe the environmental contamination and its cause. Attach copies of ALL available environmental reports.

TOTAL PROJECT COSTS

Land acquisition	Size in Acres	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Existing building acquisition	Square Feet	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Construction of new building	Square Feet	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Rehabilitation of an existing building	Square Feet	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Construction of an addition	Square Feet	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Leasehold Improvements	Square Feet	<input style="width: 150px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Soft Costs (insurance, legal, architectural/engineering fees, permits, etc.)			Cost \$	<input style="width: 150px;" type="text"/>
Other Expenses (describe)		<input style="width: 250px;" type="text"/>	Cost \$	<input style="width: 150px;" type="text"/>
Total Project Costs \$				<input style="width: 150px;" type="text"/>

PROJECT FUNDING SOURCES (Describe and attach specifics)

Other Public Sources	<input type="text"/>	Amount \$	<input type="text"/>
Bank Financing	<input type="text"/>	Amount \$	<input type="text"/>
Equity	<input type="text"/>	Amount \$	<input type="text"/>
Total Project Financing		\$	<input type="text"/>

EMPLOYMENT (REQUIRED, Enter "0", if None or Not Applicable.)

To measure our impact, MassDevelopment contacts borrowers three (3) years after the closing date of its financing to certify the number of jobs that have been created, Therefore, please consider this in giving us your most realistic expectation.

Current number of FTE (full time and full time equivalent) employees: At this site: In the state:

Number of new (full time and full time equivalent) employees to be hired in Massachusetts over the next three years:

With respect to the new employment attributable to the project, please provide the following: (Job Title, Description, Annual Salary)

What percentage of your employees are minorities or disabled?

PUBLIC PURPOSE

Describe the positive impact on the minority community which would be attributed to a guarantee from MassDevelopment.

Has the project, so far as feasible, been located in a low-income area of a municipality so that employment opportunities will become available to residents of such area? Yes No Explain.

Is the school located in or serve a district in which a public school has been identified for improvement, corrective action, or restructuring under Title I of the Elementary and Secondary Education Act as amended by the No Child Left Behind Act? Explain.

Is the school located in a community or serve children from communities with large proportions of low-income students? What percentage of the charter school students receive free or reduced lunch? Explain.

Is the charter school located in an economically distressed area (an area determined by the Commonwealth to have a high unemployment rate, poverty rate, and/or low household median income)? Explain.

Is the charter school located in a community or serve children from communities in which a large proportion of students perform poorly on state academic assessments? Explain.

EQUAL OPPORTUNITY QUESTIONNAIRE

Person on staff responsible for equal opportunity planning and implementation.

Describe organization's equal opportunity staffing objectives, implementation strategy, and current level of attainment.

Has the applicant ever been subject to a labor-related enforcement action, violation, or fine from the state or federal government?

What are the organization's plans for equal opportunity vendor contracting on this project?

SUPPLEMENTAL INFORMATION

Please use the box below if additional space is required to answer any question on this form. Specify which question the answer is in reference to.

CERTIFICATION (REQUIRED – By signing this application, the borrower agrees to the following.)

- a) Survival of Representations: The representations included in this application shall survive the closing of the agency financing applied for.
- b) This application constitutes an agreement pursuant to the provisions of M.G.L. Chapter 149, Section 182, whereby any facility financed in whole or part by MassDevelopment is subject to certain voluntary standards of corporate behavior in the event of a plant closing or partial closing as defined in M.G.L. Chapter 151A, Section 71A.
- c) Northern Ireland: The borrower certifies that if it conducts business in Northern Ireland, it does or will do so in accordance with the McBride Principles.
- d) People's Republic of China: Prior to closing, the borrower will be required to make certain certifications and agree to comply with a code of corporate standards relative to any business interest or involvement with or in the People's Republic of China.
- e) The borrower agrees to provide information as to the number of employees in its hire when so requested by MassDevelopment.
- f) The borrower agrees that if it accepts financial assistance from MassDevelopment, it shall include MassDevelopment in any public relations events or materials related to the project, and cooperate with and permit MassDevelopment to publicize its assistance, for marketing and public relations purposes, including but not limited to, signage, press releases, public events, and promotional materials.
- g) The applicant agrees it will comply with MassDevelopment's Contractor Policy. By signing below, applicant agrees that, for costs of the Project which are to be financed by MassDevelopment, applicant and or its affiliates have not and will not knowingly solicit or consider bids, contract or negotiate with, or approve a subcontract with any vendor listed as debarred or suspended on the debarment lists. Applicable debarment lists are maintained by the Commonwealth of Massachusetts' Division of Capital Asset Management and Maintenance, the Department of Transportation, the Department of Industrial Accidents, the Office of the Attorney General, and the Federal government.

The applicant also agrees that for any Project costs financed by MassDevelopment, contracts for such work will include a specific requirement that the vendor will also adhere to this policy with regards to subcontractors.

If MassDevelopment learns that these requirements have not been met, it reserves the right to withhold final approval and not proceed with the applicant's bond issuance.

The applicant will be required to provide a certificate at the bond closing as to its compliance with these requirements.

The Commonwealth's Executive Office of Administration and Finance has a webpage with a link to the lists, <http://www.mass.gov/anf/property-mgmt-and-construction/design-and-construction-of-public-bldgs/vendor-debarment.html>.

(Answer "Yes" or "No" to the following.)

- h) Taxes and Accounting: Has the applicant filed or caused to be filed all required federal, state, and local tax returns, and has it paid or caused to be paid all taxes due and payable? Yes No
- i) Employment Laws: Has the applicant ever been subject to a labor-related enforcement action, violation, or fine from the state or federal government, including citations for any violations of OSHA or of the Americans with Disabilities Act? Yes No
- j) Bankruptcy: Has the applicant ever filed for or been the subject of a petition for bankruptcy or protection against creditors? Yes No
- k) Criminal Convictions: Has the applicant been convicted of a felony under federal or any state law? Yes No
- l) Does the borrower have any contingent liabilities as a result of suits or enforcement actions, etc. currently outstanding or unresolved? Yes No

If the answer to item (h) is No, or the answer to any of items (i), (j), (k), or (l) is Yes, please explain.

CHARTER SCHOOL CERTIFICATION

In order to obtain the guarantee the charter school must meet the definition of a charter school, as defined in the Public Charter Schools Program authorizing statute in section 5210 of the Elementary and Secondary Education Act of 1965 (ESEA). By signing this application, the applicant states that it fits the definition of a charter school as follows:

A charter school is a public school that:

- a) *In accordance with a specific state statute authorizing the granting of charters to schools, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of the paragraph (paragraph (1) of ESEA section 5210;*
- b) *Is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;*
- c) *Operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;*
- d) *Provides a program of elementary or secondary education, or both;*
- e) *Is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;*
- f) *Does not charge tuition;*
- g) *Complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;*
- h) *Is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;*
- i) *Agrees to comply with the same Federal and State audit requirements as do other elementary and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program (the Public Charter Schools Program);*
- j) *Meets all applicable Federal, State, and local health and safety requirements;*
- k) *Operates in accordance with State law; and*
- l) *Has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.*

IMPORTANT NOTICE

MassDevelopment shall be represented by an attorney of its choice in the review of the terms of the transaction documents and in any related legal matters arising prior to the issuance of the credit facility. All incurred legal fees for said representation shall be the responsibility of the undersigned even if the financing shall fail to close. Should MassDevelopment, with the consent of or upon direction of applicant, retain counsel in connection with the application, the applicant shall be liable for such costs.

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained in the foregoing Statement and exhibits or attachments hereto is true and complete and accurately describes the proposed project, and agrees to promptly inform MassDevelopment of any changes in the proposed project which may occur.

Borrower	<input type="text"/>	Title	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>
Tax ID Number	<input type="text"/>		
Lender	<input type="text"/>	Address	<input type="text"/>
Contact Name	<input type="text"/>	Title	<input type="text"/>
		Telephone	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>

ATTACHMENTS TO INCLUDE WITH APPLICATION

- Attach the school's current charter
- Include name and contact information of primary contact with the school's chartering authority
- Attach current information on the schools mission, curriculum, senior staff and governing board
- Attach statistics on student performance (test scores, attendance, promotion, graduation rates), comparisons between actual results achieved and performance goals, and results of parent satisfaction surveys (if available)
- Attach banking and trade references
- Include contact information for school's general counsel, independent accountants, and insurance agents
- Attach historical and projected enrollment levels, by grade
- Attach current budget with major assumptions detailed
- Attach copies of CPA prepared Financial Statements
(Include Income Statements, Balance Sheets, Cash Flows, and Notes for the past three fiscal years, if applicable)
- Attach current interim financial statements with explanations for significant budget variances
- Attach project plans and specifications, estimated costs, and projected construction timeline
- For leasehold improvements, attach a copy of the present or proposed lease
- For acquisitions, attach a copy of the purchase and sale agreement, along with a description of the property being purchased
- For renovation of an existing property or new construction, attach a copy of the deed to the property, survey/site plan and title insurance Attach copies of appraisals and environmental surveys of the property
- Attach descriptions of sources and uses of funds for the planned facilities
- Provide details on fund raising plans, status and prior experience at fund raising
- 501(c)(3) Articles of Incorporation (if applicable)

For Schools Managed by Education Management Organizations (EMOs), attach the following:

- A current management agreement
- Audited year-end financial statements for the EMO for the past three years, and most recent 10-k and 10-Q filings with the SEC if publicly held
- Current interim financial statement for the EMO, to include balance sheet and income statement with explanations for any significant budget variances
- Details on and direct or indirect financial support provided, or to be provided, by the EMO
- Name and contact information of the primary contact with the EMO
- Bank and trade references for the EMO

HOW TO SUBMIT THE APPLICATION

PRINT OUT A COPY OF THIS APPLICATION FORM FOR YOUR RECORDS.

Submit the completed and signed application, along with attachments, by one of the following ways: **In Person:** To your Regional Lending Officer; **By Mail:** Attn: Lending Division, MassDevelopment, 160 Federal Street, Boston, MA 02110; or, **By Fax:** 617-330-2001.

MassDevelopment's staff is available to answer any questions you may have and assist you in completing this application. If you have questions, please call 800-445-8030.