

RESOLUTION NO. 11-11

**RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY
AUTHORIZING THE ISSUANCE OF
QUALIFIED SCHOOL CONSTRUCTION BONDS FOR
NEW JERUSALEM ELEMENTARY SCHOOL DISTRICT
IN AN AMOUNT NOT TO EXCEED \$5,100,000
UNDER THE CHARTER SCHOOL QSCB PROGRAM**

March 23, 2011

WHEREAS, the Authority is a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (as hereinafter in Section 1.01 further defined, the "Act") and is authorized to issue bonds for the purpose of financing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act) and to lease as lessee or lessor any project to be financed or refinanced under the Act;

WHEREAS, New Jerusalem Elementary School District, a California school district (the "District"), has proposed to enter a leasing arrangement with the Authority in order to use proceeds of lease revenue bonds to finance (i) the acquisition, construction, expansion, remodeling, renovation, improvement and equipping of certain educational facilities (as more particularly described in Exhibit A hereto, the "Project") to be used by or operated as one or more charter schools, and (ii) certain costs of issuance of, and credit enhancement fees in connection with, the revenue bonds of the Authority;

WHEREAS, the lease revenue bonds as hereinafter described in Section 1 (the "Bonds") will be secured by, among other things, an intercept of certain of the District's revenues (the "Intercept") by the State Controller of the State of California (the "State Controller") pursuant to Section 17199.4(a)(1), (2) and (3) of the California Education Code; and

NOW, THEREFORE, BE IT RESOLVED by the California School Finance Authority as follows:

Section 1. Pursuant to the Act, lease revenue bonds (the "Bonds") of the Authority, to be designated generally as the "California School Finance Authority Lease Revenue Bonds (New Jerusalem Schools Project), Series 2011 (Direct Subsidy Qualified School Construction Bonds)" or such other name or names as may be designated in the applicable Trust Agreement hereinafter approved in Section 3, are authorized to be issued, in one or more series, in an aggregate principal amount not to exceed \$5,100,000, subject to a Bond rating of at least "A Category" by a nationally recognized rating agency. The Bonds may, at the option of the District, be secured by bond insurance, letter(s) of credit or other credit enhancement. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the second WHEREAS paragraph above.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to sell the Bonds, at any time within six months of the adoption of this Resolution, at private sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1), at such prices, at such interest rate or rates, with such maturity dates and such other terms and conditions as the Treasurer, with the consent of the District, may determine.

Section 3. The following documents:

- (a) the Trust Agreement (the "Trust Agreement") relating to the Bonds, by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee");
- (b) the Facility Lease (the "Facility Lease"), between the District and the Authority;
- (c) the Facility Sublease (the "Facility Sublease"), between the Authority and the District;
- (d) the Bond Purchase Agreement (the "Bond Purchase Agreement"), among the Authority, the Treasurer and Stone and Youngberg LLC (the "Underwriter"), and approved by the District;
- (e) the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement");

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions, or changes therein appropriate to reflect the form of credit or liquidity enhancement for any series of Bonds) as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Trust Agreement, the Facility Lease, the Facility Sublease and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement.

Section 4. The dated date, maturity dates, interest rates, interest payment dates, principal payment dates, redemption, denominations, forms, registration privileges, manner of execution, places of payment and other terms of the Bonds shall be as provided in the Trust Agreement as finally executed.

Section 5. The Underwriter is hereby authorized to distribute a Preliminary Official Statement in substantially said form in one document or in a separate document for each series of Bonds with such changes as the Underwriter may approve to persons who may be interested in the purchase of the Bonds offered in such issuance. The Underwriter is hereby directed to deliver a copy of said final official statement (as finally executed, the "Official Statement") to all actual purchasers of each series of Bonds authorized hereby.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriter, in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds to or upon the direction of the Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 7. Each officer of the Authority is hereby authorized and directed to do any and all things which he or she may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Trust Agreement, the Facility Lease, the Facility Sublease, the Bond Purchase Agreement, and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) certifications; (b) a tax certificate and agreement and (c) any agreement or commitment letter with respect to the provisions of bond insurance, letter(s) of credit, surety bond(s) and/or a liquidity facility(ies) for the Bonds.

Section 8. The provisions of the Authority's Resolution No. 10-10 apply to the documents and actions approved in this Resolution.

Section 9. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 10. This resolution shall take effect from and after its adoption.

Dated: March 23, 2011

CERTIFICATE OF THE EXECUTIVE DIRECTOR
(Attesting to Action of the Authority)
Sacramento, California

I, Katrina Johantgen, Executive Director of the California School Finance Authority, hereby certifies that the foregoing is a full, true, and correct copy of Resolution No. 11-11 of the California School Finance Authority Issuance of Qualified School Construction Bond Borrowing Authority to New Jerusalem Elementary School District In An Amount Not To Exceed \$5,100,000 Under the Charter School QSCBs Program Parameters at a meeting of the California School Finance Authority held at 915 Capitol Mall, Conference Room 587, Sacramento, California on March 23, 2011, for which meeting all of the members of the Authority had due notice; and that at the meeting the staff recommendation was adopted by the following votes:

AYES: Patricia A. Wynne, designee for California State Treasurer Bill Lockyer
Kathleen Moore, designee for Superintendent of Public Instruction Tom
Torlakson
Miriam Ingenito, designee for Director of Finance Ana J. Matosantos

NOES:

ABSTAINS:

ABSENT:

I further certify that the original minutes of said meeting and a copy of the original Resolution adopted at said meeting are on file in the California School Finance Authority office; and that the Resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California School Finance Authority hereto.

(seal)

March 23, 2011

Katrina Johantgen, Executive Director

EXHIBIT A

The Project

The "Project" means the acquisition, construction, expansion, remodeling, renovation, improvement and equipping of a new multi-purpose building, and ten thousand square feet of office space and classrooms. The new 11,600 square foot multi-purpose building will be equipped with a gymnasium, snack bar area, boys/girls restrooms, water faucets, etc. The gymnasium will seat 400 and be large enough to conduct at least two full physical education classes. The multi-purpose space will also be designed to hold performing arts classes and performances. The classrooms and office space will include a music room, a state-of-the-art science classroom, uniquely designed special education facilities, a library, a computer lab, a general-purpose classroom, and centralized office space for the school's administration.