

AMENDED RESOLUTION NO. 11-26

**AMENDED RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY
AUTHORIZING THE ALLOCATION OF QUALIFIED SCHOOL CONSTRUCTION BOND
BORROWING AUTHORITY TO PERRIS UNION HIGH SCHOOL DISTRICT ON BEHALF
OF THE CALIFORNIA MILITARY INSTITUTE IN AN AMOUNT NOT TO EXCEED
\$2,100,000 UNDER THE CALIFORNIA CHARTER SCHOOL QSCB PROGRAM**

June 27, 2011

WHEREAS, the California School Finance Authority (Authority), a public instrumentality of the State of California ("State") created by the California School Finance Authority Act, as amended (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) (the Act), is authorized to issue conduit bonds to finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (Projects) undertaken by a participating party (as defined in the Act) or through an agent of the participating party (as defined in the Act), including charter schools established pursuant to the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the Education Code) (the Charter School Law); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for the new construction or renovation of school facilities through the use of Qualified School Construction Bonds (QSCBs); and

WHEREAS, since 2009, California received more than \$1.42 billion in "volume cap" allocation (not including direct allocations to large local educational agencies) for the issuance of QSCBs. Of this amount, approximately \$141 million has been reserved for use by charter schools through the issuance of conduit bonds by the Authority which will be designated as QSCBs; and

WHEREAS, pursuant to the Act and Resolution No. 09-13 of the Authority, adopted on July 30, 2009, the Charter School QSCBs Program has been established; and

WHEREAS, pursuant to the Act and Resolution No. 09-15 of the Authority, adopted on October 23, 2009, Perris Union High School District (the "District") on behalf of the California Military Institute was allocated \$3,000,000 in QSCB borrowing authority. This allocation expired March 31, 2010; and

WHEREAS, at its July 14, 2010 board meeting, the board adopted Resolution 10-23 which authorized an open application process for its QSCB charter school bond allocation, and Perris Union High School District, on behalf of the California Military Institute, re-applied for and met the Program Parameters for an award of allocation of QSCB borrowing authority; and

WHEREAS, Perris Union High School District disclosed that it is facing a potential liability relating to overpayment of per pupil funding by the California Department of Education which could affect the District's financial viability;

WHEREAS, Perris Union High School District advised Authority staff that it intends on either issuing the QSCBs itself and privately placing the securities with a sophisticated financial institution, or issuing through the Authority or itself via a public offering; and

WHEREAS, pursuant to the Act and the Charter School QSCBs Program, the Authority is authorizing the allocation of QSCB borrowing authority to Perris Union High School District, on behalf of the California Military Institute, in an amount not to exceed \$2,100,000. The allocation is contingent upon certain conditions being met prior to the QSCB's being issued either by the Authority, the District, or another conduit issuer.

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

Section 1. Perris Union High School District on behalf of the California Military Institute is hereby awarded borrowing authority under the Charter School QSCB Program in an amount not to exceed \$2,100,000. This allocation is conditioned upon the QSCB securities financing sale's methodology meeting the following: 1) if offered in a public offering and the financing achieves an investment grade rating from a national credit rating agency; or 2) if the QSCB's are privately placed, the initial investor must execute a sophisticated investor letter in a form acceptable to the Issuer's bond counsel. Additionally, the securities may be assigned with transfer in whole only upon execution of a sophisticated investor letter in a form acceptable to the Issuer's bond counsel. If the securities are privately placed, Perris Union High School District will be required to submit a copy of the closing documents to the Authority within 30 days of closing the transaction. In addition, Perris Union High School District shall submit to the Authority evidence that demonstrates that the initial purchaser has agreed to the foregoing conditions in the securities purchase documents.

Section 2. If the District does not return to the Authority for QSCB issuance approval on or before September 30, 2011, or issue on its own behalf in the amount authorized herein on or before that date, then the QSCB Award set forth herein shall automatically expire and become available for further award by the Authority pursuant to the Charter School QSCB Program. The Executive Director of the Authority may, in his or her sole discretion, upon the request of the District demonstrating probable completion of a transaction under the Charter School QSCB Program, extend the Award Expiration Date with respect to the District by written notification to the District; provided further that, no Award Expiration Date shall be extended beyond December 31, 2011.

Section 3. The Executive Director of the Authority is hereby authorized and directed to do any and all things which she may deem necessary or advisable in order to assist Perris Union High School District, on behalf of the California Military Institute, with the completion of a transaction under the Charter School QSCBs Program, including, but not limited to, providing assistance and cooperation in the credit rating process and making a request to the Authority for the issuance, sale, and delivery of securities designated as QSCBs as may be needed to implement this Resolution.

Section 4. Nothing in this resolution constitutes an agreement or commitment on the part of the Authority to issue conduit bonds for the benefit of Perris Union High School District on behalf of the California Military Institute.

Section 5. Immediately after the adoption of this resolution, a certified copy will be delivered to the District representative below:

Perris Union High School District
155 East Fourth Street
Perris, CA 92570-2124
Attn: Ms. Candace Reines, Assistant Superintendent, Business Services

Section 6. This resolution shall take effect immediately upon its adoption.

Date of Adoption: June 27, 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. 11-26 of the California School Finance Authority Allocating Qualified School Construction Bond Borrowing Authority to Perris Union High School District on behalf of the California Military Institute In An Amount Not To Exceed \$2,100,000 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 June 27, 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
Pedro R. Reyes, 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)

June 27, 2011

Katrina Johantgen, Executive Director