

RESOLUTION NO. 11-41

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATED TO BOND FINANCINGS

WHEREAS, the California School Finance Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California School Finance Authority Act (Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1) of the Education Code) (the "Act") to issue bonds to for purposes of the Act;

WHEREAS, the Authority has previously issued various series of bonds pursuant to separate Bond Documents (as defined herein) for each such series of bonds between the Authority and other parties to the transaction, for the benefit of the respective participating parties, as that term is defined in Section 17173 of the Act;

WHEREAS, the Authority anticipates entering into future bond financed transactions for the benefit of participating parties;

WHEREAS, from time to time a participating party may desire to seek consent of the Authority relating to: amendments to Bond Documents; removing or replacing participants or agents in a transaction; the delivery of an alternate credit facility or alternate liquidity facility; the sale, encumbrance or transfer of project assets; arranging for the redemption, prepayment or defeasance of Bonds (as defined herein); or a merger, consolidation, affiliation or dissolution involving a participating party;

WHEREAS, the Authority desires to authorize the Chairperson and the Executive Director to consent to: amendments to Bond Documents; removing or replacing participants or agents in the transaction; the delivery of an alternate credit facility or liquidity facility; the sale, encumbrance or transfer of project assets; arrangements for redemption, prepayment or defeasance of Bonds; a merger, consolidation, affiliation or dissolution involving a participating party; and other related matters, including, without limitation, certifying resolutions; executing and delivering Bond Documents; waiving provisions of Bond Documents; redeeming, prepaying or defeasing Bonds; responding to audits, investigations, litigation or the threat of litigation; and other ministerial duties;

WHEREAS, approval of the Authority is now sought; and

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

Section 1. Certification of Resolutions. The Authority hereby delegates to the Executive Director the power to sign and certify resolutions adopted by the Authority.

Section 2. Bond Documents, Disclosure Documents, etc. (a) The Authority hereby delegates to the Executive Director, the power to execute and the power to deliver all documents previously or hereafter approved by the Authority in connection with the sale, issuance, delivery, credit enhancement, liquidity support, conversion, redemption, prepayment, defeasance, discharge, or remarketing of bonds, notes or other securities of or issued by the Authority (hereafter collectively referred to as "Bonds"), including, without limitation: (i) loan agreements, indentures, trust agreements, bond purchase agreements,

lease agreements (whether as lessee or lessor), installment sale or purchase agreements, finance agreements, remarketing agreements, escrow agreements and continuing disclosure undertakings; (ii) any official statement, reoffering memorandum or other disclosure document in connection with Bonds, and (iii) all other documents, instructions, directions, identifications, requests or certificates in connection with the sale, issuance, delivery, credit enhancement, or other contracts described in subdivision (a) of section 5922 of the Government Code (herein collectively referred to as "Hedging Agreements"), whether entered into by the Authority or other party, as well as documents relating to liquidity or credit support, conversion, redemption, prepayment, defeasance, discharge or remarketing, or the investment of Bond proceeds or other funds pledged to the payment of Bonds or in connection with the tax-exemption of interest on such Bonds (including without limitation tax certificates and agreements, subscriptions for escrow securities and declarations of intent to reimburse) (all of the foregoing items (i) through (iii) referred to as "Bond Documents"). Approval by the Authority of any Bond Document described in clause (a)(i) of this Section (a "Primary Document") includes, without limitation, approval of any Bond Documents described in clause (a)(iii) of this Section and contemplated or required to be delivered by the Authority pursuant to the Primary Document prior to or upon execution and delivery of the Primary Document.

(b) Bonds approved by the Authority may be executed by the manual or facsimile signature of the Chairperson and the seal of the Authority may be affixed thereon (or a facsimile reproduced thereon) by the Executive Director, in the form set forth in and otherwise in accordance with, and to the extent required by, the indenture, trust agreement, resolution, financing agreement or other document pursuant to which the Bonds are issued.

(c) The Authority hereby delegates to the Executive Director the power to execute and the power to deliver in connection with any preliminary disclosure document for Bonds approved by the Authority: (i) a certificate or certificates, in a form acceptable to the signatory thereof, to the effect that the portions of such preliminary disclosure document describing the Authority and litigation as it relates to the Authority and the Bonds are deemed final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934; and (ii) a final disclosure document for the related Bonds in substantially the form of said preliminary disclosure document, with such insertions and changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof or other writing to such effect.

(d) The Executive Director is hereby authorized and directed to attest the signature of the Chairperson or any deputy to the Chairperson and to cause to be affixed (either manually or by facsimile) and attested the seal of the Authority as may be requested in connection with the execution and delivery of Bonds and Bond Documents approved by the Authority.

Section 3. Amendments and Supplements. (a) The Authority hereby delegates to the Executive Director the power to execute and the power to deliver (1) any amendment to any Bond Documents provided that such amendment (A) is made in accordance with the terms of the applicable agreement or other document being amended, (B)(i) does not require bondholder consent pursuant to the terms of the agreement or any other agreement to which the Authority is a party, if applicable, or (ii) any required consent has been acquired or (iii) such amendment, by its own terms, shall become effective only upon acquiring such consent, (C) does not provide for any additional material duties of or costs to the Authority, other than costs that will be reimbursed no later than the effective date of the amendment, (D) does not modify any provision for indemnification of the Authority or any members, directors, officers, employees or agents of the Authority, and (E) does not modify any provision for payment to the Authority except for payments that are assigned by the Authority to the trustee or any other third party pursuant to the Bond Documents and (2) any

amendment or supplement to any disclosure document in connection with Bonds which is designed to state any material fact necessary to make the statements in the disclosure document then in effect not misleading, in light of the circumstances under which they were made, or to correct any misstatement.

(b) The delegation in subsection (a) of this Section shall not include the power to execute and deliver any amendment that (i) would modify provisions relating to: (A) the description of all or any portion of a project financed with Bonds if such amendment would (1) result in the project failing to be eligible for financing or refinancing pursuant to the Act; (2) change the location of the project to property not described in the original approval of the Authority; (3) in the case of tax-exempt Bonds, would, in and of itself, cause interest on the Bonds to be included in gross income for purposes of federal income taxation; (B) the sale or other transfer of all or any portion of a project financed with Bonds or all or any portion of the property pledged to secure Bonds; (C) merger, consolidation or affiliation by a participating party, the dissolution of a participating party, or the sale or other transfer of substantially all of the assets of a participating party; or (ii) would result in provisions inconsistent with the Authority's bond issuance guidelines then in effect with respect to Bonds, or, with respect to commercial paper notes, any guidelines or resolution of the Authority then in effect setting forth generally applicable commercial paper program provisions.

(c) All authorizations and delegations of power to execute and deliver any amendment of a Bond Document under any prior resolution of the Authority are hereby rescinded.

Section 4. Appointments. The Authority hereby delegates to the Executive Director the power to appoint or remove, or consent to or approve the appointment or removal of, any trustee, paying agent, issuing and paying agent, registrar, tender agent, fiscal agent, escrow agent, verification agent, auction agent, underwriter, placement agent, remarketing agent, commercial paper dealer, broker-dealer, credit enhancer, liquidity provider, investment provider, Hedging Agreement counterparty, securities depository, rating agency or counsel to any of the foregoing, including, without limitation, bond counsel, to the extent such appointment or removal, consent or approval by the Authority is required or permitted by the applicable Bond Document(s) and such appointment or removal (1) is made in accordance with the terms of the Bond Documents, if applicable, (2)(A) does not require bondholder consent pursuant to the terms of the Bond Documents or other agreement to which the Authority is a party, if applicable, or (B) any required consent has been acquired or (C) such consent or approval, by its own terms, shall become effective only upon acquiring such bondholder consent, (3) the Executive Director has consulted with the Public Finance Division of the State Treasurer's Office prior to such appointment, consent or approval, and (4) with respect to any underwriter, placement agent, remarketing agent, broker-dealer or commercial paper dealer, such firm is among the firms listed on the State Treasurer's pool of underwriters approved for negotiated offerings pursuant to California Government Code section 5703 to the extent participation in the State Treasurer's Office pool is required by the Bond Documents. Prior to removing, or consenting to or approving the removal of, any of the foregoing agents or entities, the Executive Director shall consult with the participating party under the related Bond Documents.

The foregoing delegation does not include the power to replace or substitute any of the foregoing agents or entities named or approved in the final resolution or otherwise in connection with the original issuance of any issue of Bonds until after such Bonds are issued.

Section 5. Credit Enhancement and Liquidity Support. The Authority hereby delegates to the Executive Director the power to approve or consent to the delivery of any substitute, alternate or replacement credit enhancement or liquidity facility for Bonds, and the power to

terminate any credit enhancement or liquidity facility or eliminate any requirement that a credit enhancement or liquidity facility be maintained for Bonds, if and to the extent such approval or consent by the Authority is required by the applicable Bond Documents and such approval or consent (1) is given in accordance with the terms of the applicable Bond Documents (including, without limitation, qualifications required by such Bond Documents for a provider of credit enhancement or liquidity support, if applicable), (2)(A) does not require bondholder consent pursuant to the terms of the Bond Documents or other agreement to which the Authority is a party, if applicable, or (B) any required consent has been acquired or (C) such approval or consent, by its own terms, shall become effective only upon acquiring such bondholder consent, (3) such substitute, alternate or replacement credit enhancement or liquidity facility and the provider thereof, the termination of the credit enhancement or liquidity facility or the elimination of the requirement therefore, as applicable, are such as to qualify and cause the Bonds to qualify under the Authority's bond issuance guidelines then in effect with respect to Bonds, or any guidelines or resolution of the Authority setting forth generally applicable commercial paper program provisions with respect to commercial paper notes and (4) the Executive Director has consulted with the Public Finance Division of the State Treasurer's Office prior to such approval or consent.

Section 6. Sale, Encumbrance or Other Transfer of Projects. The Authority hereby delegates to the Executive Director the power to approve or consent to the sale, encumbrance or other transfer of all or a portion of a project financed with Bonds when such approval or consent by the Authority is required by the applicable Bond Documents and is provided in compliance with the applicable Bond Documents.

Section 7. Merger, Dissolution, etc. The Authority hereby delegates to the Executive Director the power to approve or consent to a merger, consolidation or affiliation by a participating party, the dissolution of a participating party, or the sale or other transfer of substantially all of the assets of a participating party when such approval or consent by the Authority is required by the applicable Bond Documents and is provided in compliance with the applicable Bond Documents.

Section 8. Ministerial Actions. The Authority hereby delegates to the Executive Director the power to carry out any ministerial actions contemplated by any Bond Documents, including, but not limited to, publication or other dissemination of notices of redemption, prepayment, defeasance or tender, certifications or other documentation to effect a substitution of credit enhancement or liquidity facility, publication or other dissemination of notices contemplated by the Bond Documents, filing of hedging identification certificates, and establishment of record dates or other arrangements to obtain or solicit bondholder consents.

Section 9. Waivers. (a) The Authority hereby delegates to the Executive Director the power to waive on behalf of the Authority any provision of any Bond Document that is expressly for the benefit of the Authority and has not been assigned by the Authority, including, but not limited to, deadlines for delivery of notices, certificates, reports and other items to the Authority as well as the requirement for such documents to be provided to the Authority (other than upon request of the Authority).

(b) The delegation in subsection (a) of this Section shall not include the power to waive (1) any provision that could not be amended pursuant to the delegation under Section 3 of this Resolution, (2) any provision requiring delivery of an opinion of counsel, and (3) any provision, the waiver of which would, in and of itself, result in the inclusion of interest on Bonds in gross income for purposes of federal income taxation or cause tax-credit bonds to cease to be tax-credit bonds.

(c) All authorizations and delegations of power to waive any provision of a Bond Document under any prior resolution of the Authority are hereby rescinded.

Section 10. Litigation. The Authority hereby delegates to the Executive Director the power to respond on behalf of the Authority to any audit, investigation, litigation or claim or threat of litigation or claim made to or against the Authority or any of its members, directors, officers or employees in connection with any Bonds, or any investigation or audit or other review of any Bonds by any state or federal regulatory or law enforcement authorities when such response is required by law and is necessary to protect the interests of the Authority or the bondholders, or to effectuate the terms of the applicable resolution authorizing the Bonds adopted by the Authority.

Section 11. Exercise of Delegations Discretionary. Nothing in this Resolution shall require the Executive Director to exercise the powers delegated herein in any particular case, and the Executive Director may in any instance instead bring a proposed action before the Authority for consideration.

Section 12. Delegations Supplemental. The Authority may in any future resolution delegate additional powers to the Executive Director or other officers or employees of the Authority, or eliminate, modify or restrict any delegation granted in this Resolution. Except as expressly provided in Section 3 and Section 9, the powers delegated in this Resolution shall be deemed to be in addition to, and shall not limit, any prior delegation of power or authorization. The authorization contained in this Resolution shall apply to any issue of Bonds now or hereafter outstanding.

Section 13. Reporting. The Executive Director shall report quarterly, or at a minimum, the next scheduled meeting to the Authority all actions taken pursuant to the delegations of powers under this Resolution, unless such action is a subject for closed session pursuant to the Bagley-Keene Open Meeting Act, in which case the action will be reported in closed session or in writing to individual Authority members.

Section 14. Opinion of Counsel. The Executive Director may seek and rely upon a formal or informal opinion from the Attorney General's Office to confirm compliance with one or more of the provisions of this Resolution.

Section 15. The Chairperson of the Authority is hereby authorized to execute and deliver any document which is executed by the Executive Director pursuant to this Resolution. The Chairperson may act by and through a deputy in connection with the delegations and authorizations under this Resolution.

Section 16. Resolution No. 10-10 is hereby rescinded.

Section 17. This resolution shall take effect from and after its adoption, and shall expire on December 31, 2012, unless extended by action of the Authority prior to that date.

Date of Adoption: _____

California School Finance Authority
Resolution No. 11-41
October 12, 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 certify that the foregoing is a full, true, and correct copy of **Resolution No. 11-41 of the California School Finance Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings**, adopted at a meeting of the California School Finance Authority held at 915 Capitol Mall, Conference Room 587, Sacramento, California 95814, on October 12, 2011, for which meeting all of the members of said 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)

October 12, 2011

Katrina Johantgen, Executive Director