

RESOLUTION NO. 12-07

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR LIVERMORE VALLEY CHARTER SCHOOL AND LIVERMORE VALLEY CHARTER PREPARATORY HIGH SCHOOL EACH OPERATED AS TRI-VALLEY LEARNING CORPORATION IN AN AMOUNT NOT TO EXCEED \$40,000,000

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, notes, lease obligations, certificates of participation, commercial paper, and any other evidences of indebtedness and loan the proceeds of the sale thereof to participating parties 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”) for the purpose of financing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act);

WHEREAS, Livermore Valley Charter School and Livermore Valley Charter Preparatory High School, each operated as Tri-Valley Learning Corporation, a California nonprofit public benefit corporation (the “Borrower”) and each a charter school established under the Charter School Law, have applied for a loan of the proceeds of revenue bonds of the Authority and/or certificates of participation to finance (i) the acquisition, construction, improvement and equipping of certain educational facilities (as defined in the Act) described in Exhibit A hereto, (as set forth in Exhibit A, the “Project”) to be used or operated by the Borrowers as a charter school(s), (ii) the funding of a reserve fund, and (iii) certain costs of issuance or delivery of the revenue bonds of the Authority or certificates of participation; and

WHEREAS, the revenue bonds as hereinafter described in Section 1 (the “Bonds”) may, as determined by the Executive Director of the Authority, be secured by, among other things, an intercept of certain of the Borrower’s revenues (the “Intercept”) by the State Controller of the State of California (the “State Controller”) pursuant to Section 17199.4(a)(1) and (4) of the California Education Code;

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

Section 1. Pursuant to the Act, revenue bonds of the Authority, to be designated generally as the “California School Finance Authority Educational Facilities Revenue Bonds (Livermore Valley Charter School Project), Series 2012A Tax-Exempt Bonds” (the “Series 2012A Bonds”), or such other name or names as may be designated in the Indenture hereinafter approved in Section 3, are authorized to be issued, in one or more series, and certificates of participation, to be designated generally as “California School Finance Authority Educational Facilities Subordinate Revenue Certificates of Participation (Livermore Valley Charter School Project), Series 2012B Qualified School Construction Bonds (Direct Subsidy Bonds)” (the “Series 2012B Certificates” and together with the Series 2012A Bonds, the

“Obligations”), or such other name or names as may be designated in the Subordinate Trust Agreement hereinafter approved in Section 3, evidencing interests as set forth in the Subordinate Trust Agreement, are authorized and approved, subject to a rating of at least “BBB–” by a nationally recognized rating agency; provided, that the aggregate principal amount of the Series 2012A Bonds issued combined with the principal evidenced by the Series 2012B Certificates do not exceed \$40,000,000; provided, further, the any Obligation may be issued with a lower rating or without a rating if, in addition to the other requirements of this Resolution, such Obligation or Obligations are privately placed (in both primary and secondary markets) with a “Qualified Institutional Buyer” as defined by Securities Exchange Commission Rule 144A, promulgated under the Securities Act of 1933 or an “Accredited Investor” as defined by Securities Exchange Commission Rule 501 of Regulation D, promulgated under the Securities Act of 1933 and are issued in minimum denominations of \$100,000. The Obligations may, with the consent of the Borrower, be secured by bond insurance, letter(s) of credit or other credit enhancement. The proceeds of the Obligations 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 Obligations, at any time within nine 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 Borrower, may determine.

Section 3. The following documents:

- (a) the Indenture relating to the Series 2012A Bonds (the “2012A Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);
- (b) the Loan Agreement relating to Series 2012A Bonds (the “2012A Loan Agreement”), between the Authority and the Borrower;
- (c) the Bond Purchase Agreement relating to the Series 2012A Bonds (the “2012A Bond Purchase Agreement”), among the Authority, the Treasurer and Westhoff, Cone & Holmstedt, as underwriter (the “Underwriter”), and approved by the Borrower;
- (d) the preliminary official statement relating to the Series 2012A Bonds (the “Preliminary Official Statement”);
- (e) the Subordinate Trust Agreement relating to the Series 2012B Certificates (the “2012B Subordinate Trust Agreement”), between the Authority and the Trustee;
- (f) the Subordinate Loan Agreement relating to the Series 2012B Certificates (the “2012B Subordinate Loan Agreement”), between the Authority and the Borrower;

(g) the Certificate Purchase Agreement relating to the Series 2012B Certificates (the “2012B Certificate Purchase Agreement”), among the Authority, the Treasurer and NorthStar Realty Finance Corp. (the “Certificate Purchaser”) and approved by the Borrower; and

(h) the Placement Agent Agreement relating to the Series 2012B Certificates (the “2012B Placement Agent Agreement”), among the Authority, the Borrower and Westhoff, Cone & Holmstedt, as placement agent.

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, and combining the 2012A Bond Purchase Agreement and the 2012B Certificate Purchase Agreement into one agreement) 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 2012A Indenture, 2012A the Loan Agreement, the 2012A Bond Purchase Agreement, the 2012B Subordinate Trust Agreement, the 2012B Subordinate Loan Agreement, the 2012B Certificate Purchase Agreement and the 2012B Placement Agent Agreement and by the delivery thereof in the case of the Preliminary Official Statement.

Section 4. The dated date, maturity date, interest rate, interest payment date, principal payment date, denominations (subject to section 1), forms, registration privileges, transfer provisions (subject to section 1), manner of execution, places of payment, priority of payment, and other terms of the Obligations shall be as provided in the 2012A Indenture and the 2012B Subordinate Trust Agreement as finally executed.

Section 5. The Underwriter is hereby authorized to distribute a Preliminary Official Statement in substantially said form with such changes as the Underwriter may approve to persons who may be interested in the purchase of the Series 2012A Bonds offered in such issuance. The Underwriter is hereby directed to deliver (in accordance with applicable federal securities laws, regulations and rules) a copy of a final official statement (as finally executed, the “Official Statement”) to all actual purchasers of the Series 2012A Bonds.

Section 6. The Series 2012A Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Series 2012A Bonds by executing the Trustee’s certificate of authentication appearing thereon and to deliver the Series 2012A 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 Series 2012A 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. The Trustee is hereby requested and directed to execute and deliver the Series 2012B Certificates in accordance with the Subordinate Trust Agreement. The Trustee is also hereby requested and directed to deliver the Series 2012B Certificates, when duly executed, to the Certificate Purchaser, 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 Series 2012B Certificates to or upon the direction of the Certificate Purchaser, as determined and confirmed by the Treasurer, upon payment or satisfaction of the purchase price thereof.

Section 8. 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, execution, sale and delivery of the Series 2012A Bonds and the Series 2012B Certificates and otherwise to effectuate the purposes of this Resolution 2012A Indenture, 2012A the Loan Agreement, the 2012A Bond Purchase Agreement, the 2012B Subordinate Trust Agreement, the 2012B Subordinate Loan Agreement, the 2012B Certificate Purchase Agreement, the 2012B Placement Agent 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 Obligations. The State Treasurer is hereby requested and authorized to take any and all actions within his or her authority as agent for sale of the Obligations that he or she may deem necessary or advisable in order to consummate the issuance, execution, sale and delivery of the Obligations, and to otherwise effectuate the purposes of this Resolution.

Section 9. The provisions of the Authority's Resolution No. 11-41 apply to the documents and actions approved in this Resolution.

Section 10. 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 11. This resolution shall take effect from and after its adoption.

Dated: March 14, 2012

EXHIBIT A

The Project

The “Project” means the acquisition, construction, improvement and equipping of educational facilities (as defined in the Act) capable of accommodating approximately 1,100 total students in grades K-8 and grades 9-12, located at the following addresses in Livermore, California:

- 3102 Constitution Drive
- 3168 Constitution Drive
- 3156 Constitution Drive
- 3142 Constitution Drive
- 3128 Constitution Drive
- 3110 Constitution Drive
- 3174 Constitution Drive
- 3188 Constitution Drive
- 3196 Constitution Drive
- 3212 Constitution Drive
- 3252 Constitution Drive
- 3240 Constitution Drive
- 3232 Constitution Drive
- 3220 Constitution Drive
- 3266 Constitution Drive
- 3278 Constitution Drive
- 3090 Independence Plaza
- 3090 Independence Drive
- 543 Sonoma Avenue
- 2451 Portola Avenue

- Vacant Land bounded by North Canyons Parkway and Constitution Drive