

RESOLUTION NO. 12-23

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS AND EXECUTION OF LEASES FOR LIVERMORE VALLEY CHARTER SCHOOL AND LIVERMORE VALLEY CHARTER PREPARATORY HIGH SCHOOL EACH OPERATED AS TRI-VALLEY LEARNING CORPORATION

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 lease a project being financed pursuant to the Act, sublease a project to a participating party (as defined in the Act) and charge and collect rent, and 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 financing under the Act and requested the Authority lease portions of the Project from their current owners and sublease those portions of the Project to the Borrower; 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, are authorized and approved; provided, that the aggregate principal amount of the Series 2012A Bonds issued does not exceed \$43,000,000. The Series 2012A Bonds may, with the consent of the Borrower, be secured by bond insurance, letter(s) of credit or other credit enhancement. The proceeds of the Series 2012A Bonds shall be used for any or all of the following purposes (a) to fund a loan to the Borrower to finance 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 Borrower in conjunction with a charter school(s), (b) to fund the rent payable by the Authority under the Senior Site Lease hereinafter approved in Section 3, (c) to fund a debt service reserve fund for the Series 2012A Bonds, and (d) to pay certain costs of issuance of the Series 2012A Bonds and costs of delivery of the leases and other agreements hereinafter approved in Section 3.

Section 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Series 2012A Bonds, 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 Site Lease (the “Senior Site Lease”) between Montevina Phase I, LLC and the Authority;
- (d) the Sublease (the “Senior Sublease”) between the Authority and the Borrower;
- (e) the Senior Assignment Agreement (the “Senior Assignment Agreement”) between the Authority and the Trustee;
- (f) the Bond Purchase Agreement relating to the Series 2012A Bonds (the “Bond Purchase Agreement”), among the Authority, the Treasurer and Westhoff, Cone & Holmstedt, as underwriter (the “Underwriter”), and approved by the Borrower;
- (g) the preliminary official statement or preliminary limited offering memorandum relating to the Series 2012A Bonds (the “Preliminary Official Statement”);
- (h) the Limited Obligation Ground Lease (the “Subordinate Site Lease”) between Montevina Phase II, LLC and the Authority;
- (i) the Subordinate Obligation Sublease (the “Subordinate Sublease”) between the Authority and the Borrower; and
- (j) the Subordinate Assignment Agreement (the “Subordinate Assignment Agreement”) between the Authority and Montevina Phase II, LLC.

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 2012A Indenture, 2012A the Loan Agreement, the Senior Site Lease, the Senior Sublease, the Senior Assignment Agreement, the Bond Purchase Agreement, the Subordinate Site Lease, the Subordinate Sublease and the Subordinate Assignment Agreement and by the delivery thereof in the case of the Preliminary Official Statement; provided that the aggregate principal amount of the Series 2012A Bonds plus the aggregate principal components of the Base Rental Payments (as defined in the Subordinate Sublease) shall not exceed \$43,000,000.

The Executive Director is directed with the assistance of counsel, to ensure that the agreements provide for a fund available to pay indemnity obligations to public indemnitees in the amount of at least \$200,000 funded either in cash or a credit instrument issued by a bank, insurer or other financial institution, such fund requirement to apply for so long as the bonds and leases are outstanding. If the foregoing fund is required under the agreements, the investor letter appended to the indenture may exclude the bond purchaser obligation to indemnify and hold harmless and may exclude willful misconduct of the Authority or its members from the bond purchaser's waiver of claims, actions or causes of action.

Section 4. The dated date, maturity date, interest rate, interest payment date, principal payment date, forms, registration privileges, manner of execution, places of payment, priority of payment, and other terms of the Series 2012A Bonds shall be as provided in the Series 2012A Indenture 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. 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 otherwise to effectuate the purposes of this Resolution, the 2012A Indenture, 2012A the Loan Agreement, the Bond Purchase Agreement, the Senior Site Lease, the Senior Sublease, the Senior Assignment Agreement, the Subordinate Site Lease, the Subordinate Sublease, the Subordinate Assignment 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 Series 2012A Bonds. 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 Series 2012A Bonds that he or she may deem necessary or advisable in order to consummate the issuance, execution, sale and delivery of the Series 2012A Bonds, and to otherwise effectuate the purposes of this Resolution.

Section 8. The provisions of the Authority's Resolution No. 11-41 apply to the documents and actions approved in this Resolution. For purposes of avoiding any ambiguity, each document enumerated in Section 3 shall be deemed a "Bond Document" as defined in Resolution No. 11-41. The conditions set forth in Section 1 of Resolution 12-04, adopted on February 8, 2012, requiring qualified school construction bonds ("QSCBs") be privately placed or directly purchased by a single financial institution that intends to hold the QSCBs until maturity is amended such that execution and delivery of the Subordinate Sublease pursuant to this Resolution shall satisfy that condition. Except as so amended, Authority Resolution 12-04 remains in full force and effect.

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: _____, 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