

RESOLUTION NO. 12-33

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$21,000,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA SCHOOL FINANCE AUTHORITY EDUCATIONAL FACILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND RENOVATION OF CERTAIN EDUCATIONAL FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

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 and loan the proceeds 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") and any person, company, association, state or municipal government entity, partnership, firm, or other entity or group of entities that undertakes the financing or refinancing of a project (as defined in the Act) pursuant to the Act in conjunction with a charter school for the purpose of financing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act); and

WHEREAS, University Park and Watts, LLC, a California limited liability company (the "Borrower") whose sole managing member is New Designs Properties, Inc., a California nonprofit public benefit corporation, now seeks from the Authority the issuance and sale of revenue bonds of the Authority for purposes of (i) making a loan to the Borrower to finance the acquisition, construction and renovation of certain educational facilities (as defined in the Act) as described in Exhibit A hereto (as set forth in Exhibit A, the "Project"), (ii) funding a debt service reserve fund and capitalized interest for the revenue bonds of the Authority, and (iii) paying certain costs of issuance of, and credit enhancement fees in connection with, the revenue bonds of the Authority; and

WHEREAS, the Borrower will finance such educational facilities in conjunction with New Designs Charter School, a school under the charter school law, operated as New Designs Charter School, a California nonprofit public benefit corporation (the "Charter School"), and the Borrower will lease such facilities to the Charter School to be used and operated in conjunction with the Charter School.

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

Section 1. Pursuant to the Act, revenue bonds (the "Bonds") of the Authority, to be designated generally as the "California School Finance Authority

Educational Facilities Revenue Bonds (New Designs Charter School Project), Series 2012A,” the “California School Finance Authority Educational Facilities Revenue Bonds (New Designs Charter School Project) (Taxable), Series 2012B,” and the “California School Finance Authority Educational Facilities Revenue Bonds (New Designs Charter School Project), Series 2012C” or such other name or names as may be designated in the applicable Indenture hereinafter approved in Section 3, are authorized to be issued, in one or more series, in an aggregate principal amount not to exceed \$21,000,000, subject to a Bond rating of at least “BBB-” or equivalent by a nationally recognized rating agency. The Bonds may, at the option of the Borrower, be secured by bond insurance, letter(s) of credit or other credit enhancement. The proceeds of the Bonds shall be and are hereby authorized to 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 a private sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1), at such prices with such discount or premium, as fixed rate bonds, bearing interest at such rate or rates, on a tax-exempt or taxable basis, with such maturity date or dates, and upon such other terms and conditions consistent with the Act as the Treasurer, with the consent of the Borrower, may determine.

Section 3. The following documents:

- (a) the Indenture (the “Indenture”) relating to the Bonds, by and between the Authority and Zions First National Bank, as trustee (the “Trustee”);
- (b) the Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower;
- (c) the Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Authority, the Treasurer, as agent for sale, and Robert W. Baird & Co. (the “Underwriter”), and approved by the Borrower and the Charter School;
- (d) the Inducement Agreement (the “Inducement Agreement”), between the Authority and the Charter School; and
- (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 Indenture, the Loan Agreement, the Inducement Agreement and the Bond Purchase Agreement and by the 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, denominations, forms, registration privileges, manner of execution, places of payment and other terms of the Bonds shall be consistent with the Act and as provided in the Indenture 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 in substantially said form 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 (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 each series of Bonds.

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 Indenture, the Loan Agreement, the Inducement Agreement, 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. The Treasurer is hereby requested and authorized to take any and all actions within his or her authority as agent for sale of the Bonds that he or she may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 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.

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: September 26, 2012

Exhibit A
THE PROJECT

The acquisition of educational facilities (as defined in the Act) located at 2303 S. Figueroa Way, Los Angeles, California 90007 (the "University Park Campus"), and 3906-3912 West Slauson Avenue, Los Angeles, California 90043, County of Los Angeles, California; construction of a gymnasium and classrooms at the University Park Campus; and renovation of the educational facilities at those sites.