

RESOLUTION NO. 12-52

RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$16,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES

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) (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") for the purpose of financing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act);

WHEREAS, Coastal Academy Charter School, Inc., a charter school established under the Charter School Law and a California nonprofit public benefit corporation (the "Borrower"), has applied for financial assistance from the Authority and now seeks from the Authority the issuance and sale of the Authority's revenue bonds as hereinafter described in Section 1 (the "Bonds") for the purposes of (i) making a loan of the proceeds of the Bonds to finance the acquisition, construction, improvement, furnishing and equipping of certain charter school facilities (as more particularly described in Exhibit A hereto, the "Project") to be owned and operated by the Borrower; (ii) funding a debt service reserve fund for the Bonds; and (iii) paying certain costs of issuance of, and credit enhancement fees, if any, in connection with, the Bonds;

WHEREAS, the Bonds will 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; and

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 Charter School Revenue Bonds (Coastal Academy Project), Series 2013A" and the "California School Finance Authority Charter School Revenue Bonds (Coastal Academy Project), Series 2013B (Taxable)" 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 \$16,000,000. 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 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 private sale, in such aggregate principal amount (not to exceed the aggregate

principal amount set forth in Section 1), at such prices, with discount or premium, as fixed rate bonds, bearing interest at such rate or rates, on a tax-exempt or taxable basis, with such maturity dates and such other terms and conditions as the Treasurer, with the approval 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 Wells Fargo Bank, National Association, 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 RBC Capital Markets, LLC (the "Underwriter"), and approved by the Borrower; and
- (d) the Preliminary Limited Offering Memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum").

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 Loan Agreement, the Indenture and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Limited Offering Memorandum.

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 as provided in the Indenture as finally executed; provided, (a) if the bonds are unrated or receive a credit rating of below "BBB-" (or its equivalent) by a nationally recognized credit rating agency, then minimum authorized Bond denominations shall be \$100,000, the Bonds may be initially sold and subsequently transferred only to Qualified Institutional Buyers, and initial purchasers shall be required to execute an investor letter substantially as set forth in the Indenture, (b) if the bonds receive a credit rating of at least "BBB-" (or its equivalent) and less than "A-" (or its equivalent) by a nationally recognized credit rating agency, then minimum authorized Bond denominations shall be \$25,000, the Bonds may be initially sold and subsequently transferred only to Qualified Institutional Buyers and Accredited Investors, and any requirements for an investor letter may be eliminated; and (c) if the bonds receive a credit rating of at least "A-" (or its equivalent) by a nationally recognized credit rating agency, then minimum authorized Bond denominations shall be \$5,000, the Bonds may be offered publicly without transfer restrictions, and any requirements for an investor letter may be eliminated.

Section 5. The Underwriter is hereby authorized to distribute a Preliminary Limited Offering Memorandum in substantially said form in one document or in a separate document for each series of Bonds 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 offering memorandum (as finally executed, the "Limited Offering Memorandum") 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 Bond Purchase Agreement and the Limited Offering Memorandum. 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 with respect to the Bonds; 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. 12-45 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: December 12, 2012

EXHIBIT A

Coastal Academy Charter School Facility

The Project will include the acquisition of land, and the construction, expansion, rehabilitation, renovation, furnishing and equipping of certain charter school educational facilities to be located at 4096 Calle Platino, Oceanside, California 92056. For purposes of establishing a permanent expanded facility having enhanced capacity for up to 1,200 students, the project consists of the Borrower's acquisition of a new site and construction of an approximately 37,400 square foot main building and an approximately 2,700 square foot multi-purpose building. The facility will provide 20 classrooms, a library, administrative office area, teacher offices and a multi-purpose room.