

RESOLUTION NO. 12-53

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS AS QUALIFIED SCHOOL CONSTRUCTION BONDS TO FINANCE EDUCATIONAL FACILITIES FOR HIGH TECH HIGH

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 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, the High Tech High, a California nonprofit public benefit corporation (the "Borrower") and a charter school established under the Charter School Law has applied for financing under the Act; and

WHEREAS, the revenue bonds as hereinafter described in Section 1 (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;

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 (High Tech High North County Elementary Project), Series 2013 Qualified School Construction Bonds (Direct Subsidy Bonds)" 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 \$11,753,325. The 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 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 a debt service reserve fund for the Bonds, and (c) to pay certain costs of issuance of the Bonds.

Section 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the 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 Bonds (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);
- (b) the Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower;
- (c) the Bond Purchase Agreement relating to the Bonds (the “Bond Purchase Agreement”), among the Authority, the Treasurer and RBC Capital Markets, LLC, as underwriter (the “Underwriter”), and approved by the Borrower; and
- (d) 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 and the Bond Purchase 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, 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, (i) if the bonds are unrated or rated lower than BBB- (or its equivalent) by a nationally recognized rating agency, minimum bond authorized denominations shall be \$100,000, initial purchasers shall be required to execute an initial investor letter substantially as set forth in the Indenture, sales restrictions shall be conspicuously noted on the Bonds substantially as set forth in the Indenture and described in detail substantially as set forth in the Preliminary Official Statement and provisions permitting transfer of Bonds to investors other than qualified institutional buyers shall be eliminated, (ii) if the bonds are rated BBB- (or its equivalent) or better and lower than A- (or its equivalent) by a nationally recognized rating agency, minimum bond authorized denominations shall be \$25,000, Bonds will be sold initially only to qualified institutional buyers and accredited investors substantially as set forth in

the Indenture, subsequent transfers of Bonds shall be limited to qualified institutional buyers and accredited investors substantially as set forth in the Indenture, sales restrictions shall be conspicuously noted on the Bonds substantially as set forth in the Indenture and described in detail substantially as set forth in the Preliminary Official Statement and any requirement for an investor letter may be eliminated and (iii) if the bonds are rated A- (or its equivalent) or better by a nationally recognized rating agency, any requirement for a minimum bond authorized denomination, any provisions restricting, or describing or noting restrictions on, sale to accredited investors and/or qualified institutional buyers and any requirements for an investor letter may be eliminated.

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 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 said final official statement (as finally executed, the "Official Statement") to all actual purchasers of each series of Bonds authorized hereby.

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, execution, 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 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 State 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, execution, 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

The Project

The "Project" means the acquisition, construction, improvement and equipping of educational facilities (as defined in the Act) capable of accommodating approximately 440 total students in grades K-5, located on approximately 5.25 acres of currently unimproved property designated as Assessors Parcel Numbers 219-210-41 and 219-210-42 in the City of San Marcos, County of San Diego, State of California, the street address of which is expected to be 1480 West San Marcos Boulevard, San Marcos, California 92078.