

RESOLUTION NO. 16-04

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF SCHOOL FACILITY REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$3,500,000 TO REFINANCE THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING AND/OR EQUIPPING OF EDUCATIONAL FACILITIES LOCATED IN SAN DIEGO COUNTY, CALIFORNIA FOR HTH LEARNING.

WHEREAS, the California School Finance Authority (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 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”) and to 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/or equipping of educational facilities (as defined in the Act);

WHEREAS, HTH Learning, a California nonprofit public benefit corporation (the “Borrower”), will lease certain charter school facilities to High Tech High (the “Lessee”), which operates public charter schools established pursuant to the Charter School Law;

WHEREAS, the Borrower has applied for financing under the Act; and

WHEREAS, the revenue bonds as hereinafter described in Section 1 will be secured by, among other things, an intercept of certain funds (the “Intercept”) by the Controller of the State of California (the “State Controller”) pursuant to Section 17199.4 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 School Facility Revenue Bonds (HTH Learning Project), Series 2016” 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 from time to time, on a tax-exempt or federally taxable basis, in an aggregate principal amount not to exceed \$3,500,000. 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 (1) to refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or

equipping of the charter school educational facilities known as High Tech Middle North County, located at 1460 West San Marcos Boulevard, San Marcos, California 92078 (the "Project"), and (2) to pay certain expenses incurred in connection with the 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, and 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; and
- (c) the Bond Purchase Agreement relating to the Bonds (the "Bond Purchase Agreement"), among the Authority, the Treasurer, as agent for sale on behalf of the Authority, and City National Bank (the "Purchaser"), and approved by the Borrower;

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.

Section 4. The dated date, maturity dates (not exceeding 40 years from the date of issue), interest rate or rates, interest payment dates, principal payment dates, authorized denominations, transfer restrictions, forms, registration, manner of execution, places of payment and other terms of the Bonds shall be as set forth in the Indenture as finally executed; provided, that due to the Bonds being unrated, minimum bond authorized denominations shall be \$100,000, the Purchaser 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 delivery of the Bonds to the Purchaser shall be limited to physical delivery to the Purchaser.

Section 5. 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 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 Bonds to or upon the direction of the Purchaser, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 6. 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 and the Bond Purchase Agreement. 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 (or his designee) 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 7. 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 8. The provisions of the Authority's Resolution No. 13-45 apply to the documents and actions approved in this Resolution, and such Resolution No. 13-45 is hereby incorporated by reference.

Section 9. This Resolution shall take effect from and after its adoption.

Dated: February 10, 2016