

RESOLUTION NO. 16-35

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF CHARTER SCHOOL REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$29,000,000 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING, AND EQUIPPING OF EDUCATIONAL FACILITIES LOCATED IN SAN MATEO COUNTY AND SANTA CLARA COUNTY, CALIFORNIA FOR LAUNCHPAD DEVELOPMENT COMPANY

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 amended) (the "Act") and is authorized to issue bonds and to 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 of the State of California) (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 or refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing or equipping of educational facilities (as defined in the Act);

WHEREAS, Launchpad Development Company, a California nonprofit public benefit corporation (the "Borrower") has applied for financing under the Act, for the purpose of financing and refinancing the acquisition, construction, improvement and/or equipping of certain charter school educational facilities to be leased to Rocketship Education, a California nonprofit public benefit corporation, for the use and occupancy by schools established pursuant to the Charter School Law, as more particularly described herein, initially Rocketship Redwood City, Rocketship Los Sueños Academy and Rocketship Discovery Prep (each, a "School" and collectively, the "Schools");

WHEREAS, the revenue bonds as hereinafter described in Section 1 are expected to be secured by, among other things, an intercept of certain revenues of the Schools (the "Intercept") by the State 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 Charter School Revenue Bonds (Rocketship Education – Obligated Group) Series 2017A," and "California School Finance Authority Charter School Revenue Bonds (Rocketship Education – Obligated Group) Series 2017B (Taxable)," 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, in an aggregate principal amount not to exceed \$29,000,000. With the consent of the Borrower, the Bonds may be

secured by bond insurance, letter(s) of credit or other credit enhancement. The proceeds of the Bonds shall be used to make a loan to the Borrower for any or all of the following purposes: (1) to finance and/or refinance the costs (as defined in the Act) of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the land and/or educational facilities (as defined in the Act) known or to be known as (i) Rocketship Redwood City, a school located at 860 Charter Street, Redwood City, California, designed to serve approximately 480 students in grades K through 5 (the "Redwood City School"), to be owned by Launchpad Development Fifteen LLC ("LD15"), located on land subject to a ground lease, (ii) Rocketship Los Sueños Academy, a school located at 331 South 34th Street, San Jose, California, designed to serve approximately 650 students in grades K through 5 ("Los Sueños Academy"), such facilities to be owned by Launchpad Development Three LLC ("LD3"), and (iii) Rocketship Discovery Prep, a school located at 370 Wooster Avenue, San Jose, California, designed to serve approximately 650 students in grades K through 5 (the "Discovery Prep School"; and, together with the Redwood City School and Los Sueños Academy, collectively, the "Schools") to be owned by Launchpad Development Five LLC ("LD5"); (2) to pay certain expenses incurred in connection with the issuance of the Bonds; and (3) to fund all or a portion of a debt service reserve fund, capitalized interest and/or related working capital.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to sell the Bonds, at any time within one year of the adoption of this Resolution, at public or 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"), between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee");
- (b) the Loan Agreement relating to 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, as agent for sale on behalf of the Authority, and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and approved by the Borrower; and
- (d) the preliminary limited offering memorandum relating to the Bonds (the "Preliminary Offering Document");

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 Offering Document.

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. In accordance with the Bond Issuance Guidelines of the Authority, the Bonds shall be issued in the authorized denominations and subject to transfer restrictions as set forth below:

(a) If the Bonds are unrated or are rated lower than “BBB-” (or its equivalent) by a nationally recognized rating agency (a “Rating Agency”), they shall either (1) be issued in minimum authorized denominations of \$250,000, the initial beneficial owners of the Bonds (the “Initial Purchasers”) shall be required to execute an Investor Letter substantially in the form appended to the Indenture (the “Investor Letter”), and both the initial sale and all subsequent transfers of the Bonds shall be limited to Qualified Institutional Buyers (“QIBs”) or Accredited Investors (“Accredited Investors”), each, as defined in Rule 144A of the Securities Act of 1933, as amended; or (2) be issued in minimum authorized denominations of \$100,000, the Initial Purchasers shall be required to execute the Investor Letter, and both the initial sale and all subsequent transfers of the Bonds shall be limited to QIBs; and in either case (1) or (2), such sale and transfer restrictions shall be conspicuously noted in the final form of Bonds delivered and described in the Preliminary Offering Document;

(b) If the Bonds are rated “BBB-” (or its equivalent) or better, but lower than “A-” (or its equivalent) by a Rating Agency, minimum authorized denominations shall be \$25,000, Bonds will be sold to Initial Purchasers and all subsequent transfers shall be made only to QIBs and Accredited Investors, as described in the Indenture, and such sale and transfer restrictions shall be conspicuously noted in the final form of Bonds delivered and described in the Preliminary Offering Document; and

(c) If the Bonds are rated “A-” (or its equivalent) by a Rating Agency, the Bonds may be issued and sold in authorized denominations of \$5,000 or any integral multiple thereof, without any restrictions as to the qualifications of Initial Purchasers or any subsequent purchasers of the Bonds, without the need for execution of an Investor Letter or Letters.

Section 5. The Underwriter is hereby authorized to distribute a Preliminary Offering Document in substantially the form on file with the Authority in one document or in a separate document for each series of Bonds, 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 the final limited offering memorandum (as finally executed, the “Offering Memorandum”) 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. 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, the Indenture, the Loan Agreement, the Bond Purchase Agreement and the Offering Memorandum. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) certifications and instructions (including the instructions to the Trustee described in Section 6, above); (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 (or his designee) is hereby requested and authorized to take any and all actions within his authority as agent for sale of the Bonds that he 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. 16-19 apply to the documents and actions approved in this Resolution, and such Resolution No. 16-19 is hereby incorporated by reference.

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.

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Section 10.
after its adoption.

This resolution shall take effect immediately from and

Dated: November 9, 2016