

RESOLUTION NO. 17-09

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING AMENDMENTS TO AN INDENTURE AND LOAN AGREEMENT EACH DATED AS OF JUNE 1, 2014, RELATING TO THE CALIFORNIA SCHOOL FINANCE AUTHORITY SCHOOL FACILITY REVENUE BONDS (MAGNOLIA SCIENCE ACADEMY-1, RESEDA PROJECT) SERIES 2014A AND SERIES 2014B (TAXABLE), AND RELATED MATTERS

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, MPM Sherman Way LLC (the "2014 Borrower"), a California limited liability company, whose sole member is Magnolia Properties Management Inc., a California nonprofit public benefit corporation (the "Sole Member"), previously applied for financing under the Act, for the purpose of financing certain charter school facilities to be leased to Magnolia Educational & Research Foundation, a California nonprofit public benefit corporation, also known as Magnolia Public Schools ("MERF"), for use and occupancy by Magnolia Science Academy 1, also known as Magnolia Science Academy (the "School"), a school established pursuant to the Charter School Law;

WHEREAS, on June 26, 2014, pursuant to that certain Indenture (the "2014 Indenture"), dated as of June 1, 2014, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Trustee") the Authority issued its School Facility Revenue Bonds (Magnolia Science Academy-1, Reseda Project) Series 2014A, in the aggregate principal amount of \$5,675,000 (the "2014A Bonds") and its School Facility Revenue Bonds (Magnolia Science Academy-1, Reseda Project) Series 2014B (Taxable), in the aggregate principal amount of \$345,000 (the "2014B Bonds" and, together with the 2014A Bonds, the "2014 Bonds") 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, and made a loan of the proceeds of such 2014 Bonds to the 2014 Borrower pursuant to that certain Loan Agreement, dated as of June 1, 2014, between the Authority and the 2014 Borrower (the "2014 Loan Agreement");

WHEREAS, the Borrower and the Sole Member desire to seek additional financing (the "2017 Financing") to, among other things, finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing

and/or equipping of charter school educational facilities for the School, located at 18238 Sherman Way, Reseda, Los Angeles County, California 91335, with associated properties located or to be located at 18214 and 18228 Sherman Way, Reseda, Los Angeles County, California 91335, to be owned by the 2014 Borrower, and leased to MERF;

WHEREAS, in connection with the 2017 Financing, the 2014 Borrower desires to make certain amendments to the 2014 Indenture and the 2014 Loan Agreement to harmonize certain of the provisions thereof with certain provisions of the documents and instruments for the 2017 Financing, including, among other things, the following: to remove the Original Trustee and to appoint UMB Bank, National Association, as successor trustee pursuant to the 2014 Indenture; to allow for the issuance of an obligation securing the 2014 Bonds under a new Master Indenture of Trust, to be entered into among UMB Bank, National Association, as master trustee, the 2014 Borrower, the Sole Member, and other members of the obligated group named therein; to permit a bondholder representative to be appointed and to act on behalf of the owners of the 2014 Bonds under certain circumstances pursuant to the 2014 Indenture; and to make such other conforming changes as may be necessary or desirable in connection with the foregoing (collectively, the "Amendments"); and

WHEREAS, the 2014 Borrower has informed the Authority that in connection with the execution and delivery of the proposed Amendments, any requisite consent of the holders or beneficial owners of the 2014 Bonds at the time outstanding as may be required under the 2014 Indenture or the 2014 Loan Agreement to be obtained in connection with such Amendments shall be provided by Hamlin Capital Management LLC, on behalf of and as the duly authorized representative of the holders of the requisite percentage of the principal amount of the 2014 Bonds outstanding, as required by the 2014 Indenture;

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

Section 1. The foregoing recitals are true and correct, and this Board so finds and determines.

Section 2. The following documents:

(a) The proposed form of Amendments to the 2014 Indenture relating to the 2014 Bonds, by and between the Authority and UMB Bank, National Association, as successor bond trustee (the "Trustee"); and

(b) The proposed form of Amendments to the 2014 Loan Agreement relating to the 2014 Bonds, by and between the Authority and the 2014 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) 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.

Section 3. 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 execution and delivery of the Amendments and otherwise to effectuate the purposes of this Resolution and the Amendments. The Authority hereby approves any and all documents, supplements or amendments to the foregoing or to other documents and instruments relating to the 2014 Bonds be delivered in furtherance of the foregoing purposes, including without limitation any certifications and any supplements or amendments to a tax certificate and agreement. The Treasurer (or his designee) is hereby requested and authorized to take any and all actions within his or her authority as original agent for sale of the 2014 Bonds that he or she may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 4. 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 5. 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 6. This Resolution shall take effect from and after its adoption.

Dated: May 9, 2017