

RESOLUTION NO. 17-11

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$5,400,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA SCHOOL FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS FOR THE PURPOSE OF REFINANCING THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING AND/OR EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California School Finance 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 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 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); and

WHEREAS, GNLA 697 S Burlington LLC, a California limited liability company (the "Borrower"), whose sole member is Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation, now seeks from the Authority the issuance and sale of revenue bonds of the Authority for the purpose of making a loan to the Borrower to (i) refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain educational facilities (as defined in the Act) as described in Exhibit A hereto (as set forth in Exhibit A, the "Project"); and (ii) pay certain costs of issuance in connection with, the bonds; and

WHEREAS, the Borrower will refinance such educational facilities in conjunction with Camino Nuevo Charter Academy Burlington Campus Middle School, Camino Nuevo Charter Academy Burlington Campus Elementary School and Camino Nuevo Charter Academy Burlington Campus Dance Studios, each of which educational facility is operated by Camino Nuevo Charter Academy, a California nonprofit public benefit corporation and a school under the Charter School Law (the "Charter School"); and

WHEREAS, the Borrower will lease such educational facilities to the Charter School to be used and operated thereby; 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 (Camino Nuevo Charter Academy Project), Series 2017,” or such other name or names as may be designated in the applicable Financing Agreement hereinafter approved in Section 3, are authorized to be issued, in one or more series, in an aggregate principal amount not to exceed \$5,400,000. 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 and are hereby authorized to 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 twelve months of the adoption of this Resolution, at a private or public sale, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1), at such prices with such discount or premium, as fixed or variable rate bonds, bearing interest at such rate or rates, on a tax-exempt or taxable basis, with such maturity date or dates, and upon such other terms and conditions consistent with the Act as the Treasurer, with the consent of the Borrower, may determine.

Section 3. The following documents:

(a) the Financing Agreement (the “Financing Agreement”) relating to the Bonds, by and among Wells Fargo Bank, National Association (the “Purchaser”), the Authority and the Borrower; and

(b) the Assignment Agreement (the “Assignment Agreement”), by and between the Authority and the Purchaser;

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 Financing Agreement and the Assignment Agreement.

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 consistent with the Act and as provided in the Financing Agreement 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 purchasers of the Bonds (the “Initial Purchasers”) shall be required to execute an Investor Letter substantially in the form appended to the Financing Agreement (the “Investor Letter”), and both the initial sale and all subsequent transfers of the Bonds

shall be limited to Qualified Institutional Buyers (“QIBs”), as defined in Rule 144A of the Securities Act of 1933, as amended (the “1933 Act”) or Accredited Investors (“Accredited Investors”), as defined in Regulation D of the 1933 Act, and the sale and transfer restrictions applicable to the Bonds shall be conspicuously noted and described in the Preliminary Limited Offering Memorandum and in the final form of Bonds delivered; 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 such sale and transfer restrictions shall be conspicuously noted and described in the Preliminary Limited Offering Memorandum and in the final form of Bonds delivered;

(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 Financing Agreement, and such sale and transfer restrictions shall be conspicuously noted and described in the Preliminary Limited Offering Memorandum and in the final form of Bonds delivered; 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.

The Financing Agreement shall reflect the operative provisions of the Bond Issuance Guidelines applicable to the Bonds.

Section 5. The Bonds, when executed, shall be delivered 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, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Financing 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 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 7. 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 8. 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 9. This Resolution shall take effect from and after its adoption.

Dated: May 9, 2017

EXHIBIT A
THE PROJECT

Refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the charter school educational facilities located at (a) 1800 Wilshire Boulevard, 653 S. Burlington Avenue and 673 S. Burlington Avenue, Los Angeles, California 90057, comprising Camino Nuevo Charter Academy Burlington Campus Middle School with approximately 19,842 square feet of classrooms, related educational support facilities and parking lot on two non-contiguous parcels, (b) 681-697 S. Burlington Avenue, Los Angeles, California 90057, comprising Camino Nuevo Charter Academy Burlington Campus Elementary School with approximately 11,319 square feet of classrooms and related educational support facilities, and (c) 661-667 S. Burlington Avenue, Los Angeles, California 90057, comprising Camino Nuevo Charter Academy Burlington Campus Dance Studios with approximately 15,750 square feet of classrooms, dance studio and administrative offices and a parking lot on two non-contiguous parcels.