

## **RESOLUTION NO 19-37**

### **RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATED TO THE REMARKETING OF ITS CHARTER SCHOOL REVENUE BONDS (ALLIANCE ALICE M. BAXTER COLLEGE-READY HIGH SCHOOL PROJECT), SERIES 2014A (TAXABLE QUALIFIED ZONE ACADEMY BONDS - TAX CREDITS) AND ITS SUBORDINATE CHARTER SCHOOL REVENUE BONDS (ALLIANCE ALICE M. BAXTER COLLEGE-READY HIGH SCHOOL PROJECT) SERIES 2014B**

WHEREAS, the California School Finance Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California School Finance Authority Act (Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State, as now in effect and as it may from time to time thereafter be amended or supplemented (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, furnishing and equipping of educational facilities (as defined in the Act); and

WHEREAS, the Authority has previously issued its \$5,000,000 Charter School Revenue Bonds (Alliance Alice M. Baxter College-Ready High School Project), Series 2014A (Taxable Qualified Zone Academy Bonds - Tax Credits) (the "Series 2014A Bonds") and its \$3,975,000 Subordinate Charter School Revenue Bonds (Alliance Alice M. Baxter College-Ready High School Project) Series 2014B (the "Series 2014B Bonds" or, together with the series 2014A Bonds, the "Series 2014 Bonds") pursuant to and secured by the Trust Indenture dated May 1, 2014 between the Authority and the Trustee (the "Original Trust Indenture"); and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Original Trust Indenture; and

WHEREAS, the Series 2014 Bonds were issued by the Authority and loaned to 461 W. 9th Street Charter Facilities LLC (the "Borrower"), a limited liability company organized for nonprofit purposes under the laws of the State, to (i) facilitate the financing of the costs of acquiring, and rehabilitating charter school facilities (as further described in Exhibit B to the Original Loan Agreement, the "Project" or the "Facilities"), (ii) pay capitalized interest during construction, and (iii) pay certain issuance expenses; and

WHEREAS, under the Lease Agreement dated as of May 1, 2014, as amended by a First Amendment to Lease Agreement, dated as of December 1, 2019 or some other date to be determined, and a Second Amendment to Lease Agreement, dated as of or some other date to be determined (the "Second Amendment to Lease"), each by and between the Lessor, as lessor, and Alliance College-Ready Public Schools, formerly Alliance Alice M. Baxter

College-Ready High School, each a California nonprofit public benefit corporation, as lessee, the Borrower, as owner of the Facilities, has leased the Facilities to the Lessee; and

WHEREAS, the Original Trust Indenture provides that the Series 2014 Bonds shall either be optionally redeemed or subject to mandatory tender on the Conversion Date and that notice shall be given for mandatory tender for purchase of the Series 2014 Bonds; and

WHEREAS, 100% of the Registered Owners of the Series 2014 Bonds have consented to a First Supplemental Indenture, dated as of December 1, 2019, or some other date to be determined (the "First Supplemental Indenture"), to, among other things, revise the Debt Service Reserve Fund Requirement, if applicable, change the Conversion Date, waive notice provisions and certain requirements in connection with the remarketing of the Series 2014 Bonds, and appoint Robert W. Baird & Co. Incorporated and GVC Capital, LLC, as co-remarketing agents; and

WHEREAS, there have been presented to this meeting proposed forms of the First Supplemental Indenture; the Second Amendment to Loan Agreement, dated as of December 1, 2019, or some other date to be determined (the "Second Amendment to Loan Agreement"), amending the Loan Agreement between the Authority and the Borrower dated as of May 1, 2014; the Second Amendment to Subordinate Loan Agreement, dated as of December 1, 2019, or some other date to be determined (the "Second Amendment to Subordinate Loan Agreement"), amending the Subordinate Loan Agreement between the Authority and the Borrower dated as of May 1, 2014; and the Second Amendment to Lease; and

WHEREAS, the Authority desires to authorize the Executive Director and Chairperson to execute the First Supplemental Indenture, the Second Amendment to Loan Agreement, Second Amendment to Subordinate Loan Agreement, and such other documents as necessary and appropriate in connection therewith; and

WHEREAS, approval of the Authority is now sought.

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

**Section 1.** The following documents:

- i. The First Supplemental Indenture;
- ii. The Second Amendment to Loan Agreement; and
- iii. The Second Amendment to Supplemental Loan Agreement.

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidence by execution and delivery thereof.

**Section 2.** The Authority hereby delegates to the Executive Director and/or the Chairperson of the Authority, the power to execute and the power to deliver the First Supplemental Indenture, the Second Amendment to Loan Agreement, the Second Amendment to Subordinate Loan Agreement, and such other documents as may be deemed necessary or appropriate to cause the remarketing of the Series 2014 Bonds in connection therewith and to preserve the tax status of the Series 2014 Bonds, including but not limited to any purchase agreements, tax certificates, closing certificates, consents and/or governmental filings.

**Section 3.** 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 4.** All Resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This resolution shall take effect from and after its adoption.

Date of Adoption: December 6, 2019

CERTIFICATE OF THE EXECUTIVE DIRECTOR  
(Attesting to Action of the Authority)  
Sacramento, California

I, Katrina Johantgen, Executive Director of the California School Finance Authority, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 19-37 of the California School Finance Authority, adopted at a meeting of the California School Finance Authority held at 915 Capitol Mall, Conference Room 587, Sacramento, California, 95814 on December 6, 2019, for which meeting all of the members of said Authority had due notice; and that at the meeting such Resolution was adopted by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

I further certify that the original minutes of said meeting and a copy of the original Resolution adopted at said meeting are on file in the California School Finance Authority office; and that the Resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California School Finance Authority hereto.

(seal)

By \_\_\_\_\_  
Katrina Johantgen, Executive Director

December 6, 2019