

RESOLUTION NO. 23-09

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE AND/OR REFINANCE THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF EDUCATIONAL FACILITIES LOCATED IN LOS ANGELES COUNTY, CALIFORNIA FOR USE BY STEM PREPARATORY SCHOOLS, INC.

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 (Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code) (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 (Part 26.8 (commencing with Section 47600) 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 or refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities (as defined in the Act);

WHEREAS, 3200 Adams Holding Corp. (the “Borrower”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has applied for financing under the Act;

WHEREAS, the Borrower or certain subsidiaries of the Borrower will lease or sublease certain educational facilities to STEM Preparatory Schools, Inc. (the “Lessee”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, which operates public charter schools established pursuant to the Charter School Law, including the charter schools known as (i) STEM Preparatory Elementary School, and (ii) Math and Science College Preparatory (the “Schools”); and

WHEREAS, the revenue bonds as hereinafter described in Section 1 will be secured by, among other things, an intercept of certain funds attributable to the Schools (the “Intercept”) by the Controller of the State of California (the “State Controller”) pursuant to Section 17199.4 of the 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 Revenue Bonds (STEM Preparatory Schools - Obligated Group) Series 2023A” and “California School Finance Authority Revenue Bonds (STEM Preparatory Schools - Obligated Group) Series 2023B (Taxable),” or such other name or names or series or subseries designations 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 \$15,000,000. 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) financing and/or refinancing (A) the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of an approximately 44,500 square foot educational facility known as Math and Science College Preparatory, located at 3200 W. Adams Boulevard, Los Angeles, California 90018, designed to serve approximately 590 students in grades 9 through 12, and (B) the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of an approximately 18,893 square foot educational facility known as STEM Preparatory Elementary School, located at 1371 and 1374 W. 35th Street and 3502 Normandie Avenue, Los Angeles, California 90007, designed to serve approximately 320 students in grades TK through 5 (together, the "Project"); (2) paying certain expenses incurred in connection with the issuance of the Bonds; (3) paying capitalized interest on the Bonds; (4) funding a debt service reserve fund with respect to the Bonds; and (5) funding related working capital with respect to the Project.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to sell one or more series of the Bonds, on one or more sale dates, at any time within 12 months of the adoption of this Resolution, at public or private sale, in such principal amount (not to exceed the aggregate principal amount set forth in Section 1, at such prices, on such date or dates, 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) an Indenture relating to the Bonds (the "Indenture"), between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee");

(b) a Loan Agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower;

(c) a 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, Stifel, Nicolaus & Company, Inc. (the "Underwriter"), the Borrower and the Lessee; and

(d) a preliminary limited offering memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum");

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 series of Bonds (whether one or more), 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 Limited Offering Memorandum.

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”), 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; 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 Limited Offering Memorandum;

(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 Limited Offering Memorandum; and

(c) If the Bonds are rated “A-” (or its equivalent) or better 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 Limited Offering Memorandum in substantially the form on file with the Authority in one document or in a separate document for one or more series of the 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 “Limited 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 that they 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 Limited 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); (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 authorized designee, is hereby requested and authorized to take any and all actions within their authority as agent for sale of the Bonds that they 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. 22-06 apply to the documents and actions approved in this Resolution, and such Resolution No. 22-06 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.

Section 10. This Resolution shall take effect immediately from and after its adoption.

Dated: March 30, 2023

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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. 23-09 of the California School Finance Authority, Authorizing the Issuance of Charter School Revenue Bonds in an Amount Not to Exceed \$15,000,000, to Finance and/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing, and Equipping of Educational Facilities Located in Los Angeles County, California, for Use by STEM Preparatory Schools, Inc., adopted at a meeting of the California School Finance Authority held at 901 P Street Room 102, Sacramento, California, 95814 on March 30, 2023, 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

March 30, 2023