

RESOLUTION NO. 24-13

RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF CHARTER SCHOOL REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$17,000,000 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, INSTALLATION, FURNISHING AND EQUIPPING OF EDUCATIONAL FACILITIES LOCATED IN SAN DIEGO COUNTY, CALIFORNIA FOR USE BY URBAN DISCOVERY SCHOOLS, FOURTEENTH STREET HOLDINGS LLC AND RUSS BOULEVARD HOLDINGS LLC

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, 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 (commencing with Section 47600) 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 the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities (as defined in the Act); and

WHEREAS, Fourteenth Street Holdings LLC and Russ Boulevard Holdings LLC (together, the "Borrowers"), each a California limited liability company whose sole member is Urban Discovery Schools, 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 "Lessee"), 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 (1) to finance and refinance (a) the costs (as defined in 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"))) of the acquisition, construction, improvement, installation, furnishing and equipping of an educational facility known as Urban Discovery Academy located at located at 840 14th Street, San Diego, California 92101, designed to serve approximately 500 students in grades TK through 6 (the "14th Street Campus") and (b) the costs (as defined in the Act) of the acquisition, construction, improvement, installation, furnishing and equipping of educational facilities known as Urban Discovery Academy for the operation of the educational facilities located at located at 1400 Park Blvd., San Diego, California 92101, designed to serve approximately 500 students in grades 7 through 12 (the "Park Blvd. Campus" and, together with the 14th Street Campus, the "Facilities"); (2) to finance certain working capital for the Borrowers and the Lessee; (3) to pay certain expenses incurred in connection with the issuance of the Bonds; and (4) to fund all or a portion of a debt service reserve fund and/or capitalized interest in connection with the Bonds (collectively, the "Project"); and

WHEREAS, the Borrower will finance and refinance such educational facilities to be owned by the Borrower and leased to the Lessee, which operates a public charter school established pursuant to the Charter School Law; and

WHEREAS, the Borrower has applied for financing under the Act; and

WHEREAS, the revenue bonds as hereinafter described in Section 1 are expected to be secured by, among other things, an intercept of certain of the Lessee's revenues (the "Intercept") by the Controller of the State of California (the "State Controller") pursuant to Section 17199.4(a) 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 (Urban Discovery Academy Project) Series 2024," "California School Finance Authority Charter School Revenue Bonds (Urban Discovery Academy Project) (Taxable) Series 2024," or such other name or names or series or subseries designations as may be designated in the related 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 \$17,000,000. 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 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, on one or more sale dates, at any time within twelve months of the adoption of this Resolution, at a private or public 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, 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 Indenture of Trust relating to the Bonds (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(b) the Loan Agreement relating to the 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 the Lessee; and

(d) the 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, forms, transfer restrictions, 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 Indenture as finally executed. The Bonds shall be subject to the requirements and restrictions described in the Bond Issuance Guidelines of the Authority attached as Exhibit A to this Resolution.

Section 5. The Underwriter is hereby authorized to distribute the Preliminary Limited Offering Memorandum in substantially the form on file with the Authority in one document or in a separate document for each 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 "Offering Memorandum") to all actual purchasers of each series of Bonds.

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, which instructions are hereby approved. 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; (b) a tax regulatory 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 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, 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: April 25, 2024

EXHIBIT A
BOND ISSUANCE GUIDELINES OF THE AUTHORITY

RATING*	ISSUANCE PROVISIONS
I. Debt Rated A-/A-/A3 or Better	<ul style="list-style-type: none"> • Bonds may be publicly offered without transfer restrictions • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
II. Debt Rated a minimum BBB-/BBB-/Baa3	<ul style="list-style-type: none"> • Bonds will be in minimum denominations of \$25,000 • Bonds may be publicly offered or privately placed • Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI) • Subsequent transfers of bonds are limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
III. Debt Rated less than BBB-/BBB-/Baa3, or unrated	<ul style="list-style-type: none"> • Bonds will be in minimum denominations of \$100,000 • Bonds will be privately placed or publicly offered initially to QIBs and AIs • Initial bond purchasers will be required to execute an Investor Letter • Subsequent transfers of bonds will be limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority: <ul style="list-style-type: none"> ○ Traveling Investor Letter; or ○ Higher minimum denominations of \$250,000; or ○ Physical Delivery; or ○ Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or ○ Other investor protection measures • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

EXHIBIT A
BOND ISSUANCE GUIDELINES OF THE AUTHORITY

<p>IV. For all Debt purchased on behalf of initial investors by a Bondholder Representative</p>	<ul style="list-style-type: none">• The Bondholder Representative must be a QIB or registered investment advisor responsible for managing at least \$1 billion in assets.• The Bondholder Representative must have discretionary authority over the investments of its clients who will be the holders of the bonds.• The clients who will be the holders of the bonds must meet the applicable purchase guidelines, as outlined above, including the required minimum denomination and any limitation to QIBs or accredited investors.• Any subsequent transfers by the Bondholder Representative out of the firm's clients or accounts must be limited as required by the sales restrictions applicable to the bonds.• The Bondholder Representative will be required to execute a Bondholder Representative Letter substantially similar to the Investor Letter that would otherwise be required by initial investors and representing that, among other things:<ul style="list-style-type: none">○ The Bondholder Representative can satisfy all requirements contained in this section IV.○ The Bondholder Representative is authorized to act on behalf of the initial investors it represents.○ All initial investors it represents are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.
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* Represents ratings by Standard & Poor's, Fitch, and Moody's respectively.

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. 24-13 of the California School Finance Authority, adopted at a meeting of the California School Finance Authority held at 901 P Street, Room 102, Sacramento, California, 95814, on April 25, 2024, 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: Khaim Morton, designee for State Treasurer Fiona Ma, CPA
 Abel Guillen, designee for Superintendent of Public Instruction
 Tony Thurmond
 Michele Perrault, designee for Director of Finance Joe Stephenshaw

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)

April 25, 2024

Katrina Johantgen, Executive Director