



CLASSICAL ACADEMY HIGH SCHOOL

Board of Directors Special Meeting

Thursday, November 30, 2017 at 10:30 am
Classical Academy High School,
207 E. Pennsylvania Avenue, Escondido, Ca 92025
Teleconference Number: 760-520-6806 Password: 8505#

AGENDA

1. Open Public Meeting with Pledge of Allegiance **10:30 am**
2. New Business
 - o **Classical Academy High School:** Discussion and consideration of approval of board resolution and related bond documents to move forward with bond financing for the construction and\or improvement of school facilities and the refinancing of prior issued bonds for savings not to exceed \$45 million.
 - o California Dashboard Elements – Jalyn Hall
3. Adjournment of Public Meeting

Board members will be calling in from these locations and the public can fully participate from any of these locations.

- Mark Reardon, Okmulgee Public Schools, 316 E. 8th Street, Okmulgee, OK 74447
- Mark Donar, 1357 Crestview Drive, Oceanside, CA 92056
- Patty Huerta, Paul Donovan and Cameron Curry, Classical Academy High, 207 E. Pennsylvania Avenue, Escondido, CA 92025

“Partnering With Parents For Quality Education”

***A California Public Charter School Serving North County San Diego Since 1999
Accredited by the Schools Commission of the Western Association of Schools and Colleges WASC***

CLASSICAL ACADEMY HIGH SCHOOL, INC.
RESOLUTIONS OF THE BOARD OF DIRECTORS
(Approval of 2017 Bond Financing Transaction)

WHEREAS, The Classical Academy, Incorporated, a California nonprofit public benefit corporation (“TCA”), is organized for charitable purposes;

WHEREAS, Classical Academy High School, Inc., a California nonprofit public benefit corporation (“CAHS” or the “Corporation”), is organized for charitable purposes;

WHEREAS, TCA formed and is the sole member of Partnering With Parents, LLC, a California limited liability company (the “Borrower” or the “Member”);

WHEREAS, TCA operates the public charter school known as The Classical Academy (the “Elementary School”) in part on real property commonly known as 144 and 146 Woodward Avenue, Escondido, California (the “Woodward Property”);

WHEREAS, TCA leases the Woodward Property from the Borrower pursuant to a School Facilities Lease Agreement dated as of September 1, 2013, (the “School Facilities Lease”) by and among the Borrower, TCA and CAHS;

WHEREAS, CAHS operates the public charter school known as Classical Academy High School (the “High School” and, together with the Elementary School, the “Schools”) on real property commonly known as 207 East Pennsylvania Ave. Escondido, CA 92025 (the “Pennsylvania Property”);

WHEREAS, CAHS leases the Pennsylvania Property from the Borrower pursuant to the School Facilities Lease;

WHEREAS, the Borrower financed the costs of the acquisition, construction, expansion, rehabilitation, renovation, furnishing and equipping of the Woodward Property and the Pennsylvania Property from the proceeds of California School Finance Authority Charter School Revenue Bonds (Classical Academies Project), Series 2013A (the “Refunded Bonds”);

WHEREAS, TCA, CAHS, and the Borrower propose that the Borrower will refund the Refunded Bonds in order to lower the Borrower’s financing costs and that the Borrower will pass the costs savings on to TCA and CAHS in the form of lower rent for their use of the Woodward Property and the Pennsylvania Property, respectively;

WHEREAS, the California School Finance Authority (the “Issuer”) proposes to issue its California School Finance Authority Charter School Revenue Bonds (Classical Academies Project) Series 2017A and California School Finance Authority Charter School Revenue Bonds (Classical Academies Project) Series 2017B (Taxable) (collectively, the “Bonds”) in an aggregate principal amount not to exceed \$45,000,000 pursuant to an Indenture (the “Indenture”)

dated as of December 1, 2017 by and between the Issuer and Wells Fargo Bank, National Association, as trustee thereunder (the “Bond Trustee”);

WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) proposes to underwrite the Bonds pursuant to a bond purchase agreement (the “Bond Purchase Agreement”), by and among the Underwriter, the Honorable John Chiang, Treasurer of the State of California, as agent for sale on behalf of the Issuer, the Issuer, the Borrower, TCA, and CAHS;

WHEREAS, the Issuer proposes to make a loan (the “Loan”) of the proceeds of the Bonds to the Borrower pursuant to the terms of (i) the Indenture, (ii) a Loan Agreement (the “Loan Agreement”) between the Issuer and the Borrower, (iii) a Master Indenture of Trust (the “Master Indenture”), by and among the Borrower, as the initial obligated group representative (the “Obligated Group Representative”), the Member, as the initial member of the obligated group (the “Obligated Group”), and Wells Fargo Bank, National Association, as master trustee (the “Master Trustee”), as amended by a Supplemental Master Indenture for Obligation No. 1 (the “Supplemental Master Indenture”), by and between the Obligated Group Representative and the Master Trustee, and (iv) an Obligation No. 1 (“Obligation No. 1”) issued by the Obligated Group Representative to the Bond Trustee;

WHEREAS, TCA, CAHS, and the Borrower propose that the Borrower will accept the Loan and that the Borrower will use the proceeds of the Loan to (1) finance and/or refinance the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located at the Woodward Property and the Pennsylvania Property (collectively, the “Project”), including by refunding the Refunded Bonds, (2) pay certain expenses incurred in connection with the issuance of the Bonds, and (3) fund all or a portion of a debt service reserve fund;

WHEREAS, TCA, CAHS, and the Borrower propose to secure or support the obligations of the Borrower by (i) a lien on the Woodward Property, the Pennsylvania Property and related personal property pursuant to the terms of a Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the “Deed of Trust”) executed by the Borrower for the benefit of the Master Trustee and (ii) an intercept of portions of each School’s general purpose apportionment by the State Controller or another state agency of the State of California pursuant to Section 17199.4(a)(1) of the Education Code of the State of California (collectively, the “Intercept”);

WHEREAS, TCA, CAHS, and the Borrower propose to replace the School Facilities Lease with a new lease of the Woodward Property (the “Woodward Lease”) by and between the Borrower and TCA and a separate new lease of the Pennsylvania Property by and between the Borrower and CAHS (the “Pennsylvania Lease” and, together with the Woodward Lease, the “Leases”) will provide for the payment of base rent and additional rent payments sufficient to satisfy the Borrower’s obligations under the Loan Agreement, Obligation No. 1, and all other obligations of the Borrower arising from the foregoing transactions and agreements, as well as for the payment of all costs and expenses of the ownership, operation, maintenance, repair, replacement, and insurance of the leased properties;

WHEREAS, in connection with the foregoing, TCA and CAHS may be required to pledge the revenues or other assets of the Schools to secure the obligations of the Schools under the Leases;

WHEREAS, the Board of Directors of the Corporation (the “Board”) has reviewed proposed forms of the documents and agreements listed on Schedule 1 attached hereto (collectively, the “Primary Transaction Documents”);

WHEREAS, the Board finds that the terms of the foregoing transactions (collectively, the “Transactions”), including the Pennsylvania Lease, are fair and reasonable as to the Corporation and the High School under the circumstances, in the best interest of the Corporation, and in furtherance of the charitable purposes of the Corporation; and

WHEREAS, the Board desires that TCA, CAHS, and the Borrower take all actions necessary or advisable to facilitate the Transactions;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the Transactions and authorizes the execution, delivery and performance of the Primary Transaction Documents to which the Corporation is a party and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively with the Primary Transaction Documents, the “Transaction Documents”);

RESOLVED FURTHER, that the Board hereby approves, confirms, and ratifies the election or appointment of the following individuals to the offices of the Corporation set forth after their names:

Mark Reardon	President
Cameron Curry	Executive Director
Paul Donovan	Secretary
Patty Huerta	Treasurer

RESOLVED FURTHER, that the Board appoints and the officers of the Corporation, and each of them individually (each, an “Authorized Signatory”), as authorized signatories of the Corporation for purposes of executing the Transaction Documents on behalf of the Corporation;

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, in the forms that have been presented to the Board for approval or with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable, and all such other purchase and sale agreements, escrow agreements, bond purchase agreements, indentures, loan agreements, promissory notes, leases, deeds of trust, security agreements, account control agreements, subordination, non-disturbance and attornment agreements, tax certificates, offering memoranda, disclosure agreements, assignments, indemnification agreements, guaranties, subordination agreements, letters of representation, notices, certificates, and other documents, agreements, or instruments or amendments to any of the foregoing, as an Authorized Signatory may approve as necessary or advisable to facilitate the Transactions, each

with such additions, deletions or changes therein as the Authorized Signatory executing the same shall approve (the execution and delivery thereof by any such Authorized Signatory to be conclusive evidence of his or her approval of any such document, agreement, instrument, amendment, addition, deletion or change);

RESOLVED FURTHER, that, pursuant to Section 17199.4(a)(1) of the Education Code of the State of California, the Board hereby elects to participate in the Intercept to secure payment of the principal of and interest on the Bonds in amounts not exceeding the amounts due from the Elementary School under the Woodward Lease, and the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to provide notice to the State Controller of the State of California or other applicable state agency of the State of California of such election of the Board;

RESOLVED FURTHER, that the Board hereby ratifies and confirms the acts of the officers, agents or employees of the Corporation taken on behalf of the Corporation in connection with the Transactions;

RESOLVED FURTHER, that by the adoption of these resolutions, the Board hereby reconfirms, ratifies and adopts all prior actions of the Board which may have previously been taken in connection with the Transactions;

RESOLVED FURTHER, that all prior resolutions of the Board or any parts thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict;

RESOLVED FURTHER, that these resolutions shall take effect and be in full force immediately after their adoption by the Board; and

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to approve, execute and deliver any and all documents, instruments and agreements, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and by the agreements therein approved, and any such documents, instrument or agreements so executed and delivered or actions taken by them or any of them shall be conclusive evidence of their authority in so doing.

Certificate of Secretary

The undersigned certifies that the undersigned is the duly appointed and acting Secretary of Classical Academy High School, Inc. (the "Corporation"), a California nonprofit public benefit corporation, and that the foregoing Resolutions were duly adopted by the majority vote of the directors of the Corporation then in office at a meeting of the board of directors of the Corporation duly held on November 30, 2017, in compliance with the bylaws of the Corporation, in compliance with the notice, agenda, and open meeting requirements of the Ralph M. Brown Act, and while a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation this 30th day of November 2017.

Paul Donovan, Secretary

Section 1

Primary Transaction Documents

1. The Bond Purchase Agreement.
2. The Master Indenture.
3. The Supplemental Master Indenture.
4. The Obligation No. 1.
5. The Indenture.
6. The Bonds.
7. The Loan Agreement.
8. The Woodward Lease.
9. The Pennsylvania Lease.
10. A Continuing Disclosure Agreement among the Borrower, TCA, CAHS, and the Bond Trustee, as dissemination agent.
11. A form of Limited Offering Memorandum that has been prepared to furnish information with respect to the sale and delivery of the Bonds.

PARTNERING WITH PARENTS, LLC

RESOLUTIONS OF THE MANAGER

(Approval of 2017 Bond Financing Transaction)

WHEREAS, The Classical Academy, Incorporated, a California nonprofit public benefit corporation (“TCA”), is organized for charitable purposes;

WHEREAS, Classical Academy High School, Inc., a California nonprofit public benefit corporation (“CAHS”), is organized for charitable purposes;

WHEREAS, TCA formed and is the sole member of Partnering With Parents, LLC, a California limited liability company (the “Borrower,” the “Member,” or the “Company”);

WHEREAS, TCA operates the public charter school known as The Classical Academy (the “Elementary School”) in part on real property commonly known as 144 and 146 Woodward Avenue, Escondido, California (the “Woodward Property”);

WHEREAS, TCA leases the Woodward Property from the Borrower pursuant to a School Facilities Lease Agreement dated as of September 1, 2013, (the “School Facilities Lease”) by and among the Borrower, TCA and CAHS;

WHEREAS, CAHS operates the public charter school known as Classical Academy High School (the “High School” and, together with the Elementary School, the “Schools”) on real property commonly known as 207 East Pennsylvania Ave. Escondido, CA 92025 (the “Pennsylvania Property”);

WHEREAS, CAHS leases the Pennsylvania Property from the Borrower pursuant to the School Facilities Lease;

WHEREAS, the Borrower financed the costs of the acquisition, construction, expansion, rehabilitation, renovation, furnishing and equipping of the Woodward Property and the Pennsylvania Property from the proceeds of California School Finance Authority Charter School Revenue Bonds (Classical Academies Project), Series 2013A (the “Refunded Bonds”);

WHEREAS, TCA, CAHS, and the Borrower propose that the Borrower will refund the Refunded Bonds in order to lower the Borrower’s financing costs and that the Borrower will pass the costs savings on to TCA and CAHS in the form of lower rent for their use of the Woodward Property and the Pennsylvania Property, respectively;

WHEREAS, the California School Finance Authority (the “Issuer”) proposes to issue its California School Finance Authority Charter School Revenue Bonds (Classical Academies Project) Series 2017A and California School Finance Authority Charter School Revenue Bonds (Classical Academies Project) Series 2017B (Taxable) (collectively, the “Bonds”) in an aggregate principal amount not to exceed \$45,000,000 pursuant to an Indenture (the “Indenture”)

dated as of December 1, 2017 by and between the Issuer and Wells Fargo Bank, National Association, as trustee thereunder (the “Bond Trustee”);

WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) proposes to underwrite the Bonds pursuant to a bond purchase agreement (the “Bond Purchase Agreement”), by and among the Underwriter, the Honorable John Chiang, Treasurer of the State of California, as agent for sale on behalf of the Issuer, the Issuer, the Borrower, TCA, and CAHS;

WHEREAS, the Issuer proposes to make a loan (the “Loan”) of the proceeds of the Bonds to the Borrower pursuant to the terms of (i) the Indenture, (ii) a Loan Agreement (the “Loan Agreement”) between the Issuer and the Borrower, (iii) a Master Indenture of Trust (the “Master Indenture”), by and among the Borrower, as the initial obligated group representative (the “Obligated Group Representative”), the Member, as the initial member of the obligated group (the “Obligated Group”), and Wells Fargo Bank, National Association, as master trustee (the “Master Trustee”), as amended by a Supplemental Master Indenture for Obligation No. 1 (the “Supplemental Master Indenture”), by and between the Obligated Group Representative and the Master Trustee, and (iv) an Obligation No. 1 (“Obligation No. 1”) issued by the Obligated Group Representative to the Bond Trustee;

WHEREAS, TCA, CAHS, and the Borrower propose that the Borrower will accept the Loan and that the Borrower will use the proceeds of the Loan to (1) finance and/or refinance the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located at the Woodward Property and the Pennsylvania Property (collectively, the “Project”), including by refunding the Refunded Bonds, (2) pay certain expenses incurred in connection with the issuance of the Bonds, and (3) fund all or a portion of a debt service reserve fund;

WHEREAS, TCA, CAHS, and the Borrower propose to secure or support the obligations of the Borrower by (i) a lien on the Woodward Property, the Pennsylvania Property and related personal property pursuant to the terms of a Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the “Deed of Trust”) executed by the Borrower for the benefit of the Master Trustee and (ii) an intercept of portions of each School’s general purpose apportionment by the State Controller or another state agency of the State of California pursuant to Section 17199.4(a)(1) of the Education Code of the State of California (collectively, the “Intercept”);

WHEREAS, TCA, CAHS, and the Borrower propose to replace the School Facilities Lease with a new lease of the Woodward Property (the “Woodward Lease”) by and between the Borrower and TCA and a separate new lease of the Pennsylvania Property by and between the Borrower and CAHS (the “Pennsylvania Lease” and, together with the Woodward Lease, the “Leases”) will provide for the payment of base rent and additional rent payments sufficient to satisfy the Borrower’s obligations under the Loan Agreement, Obligation No. 1, and all other obligations of the Borrower arising from the foregoing transactions and agreements, as well as for the payment of all costs and expenses of the ownership, operation, maintenance, repair, replacement, and insurance of the leased properties;

WHEREAS, in connection with the foregoing, TCA and CAHS may be required to pledge the revenues or other assets of the Schools to secure the obligations of the Schools under the Leases;

WHEREAS, the undersigned (the “Manager”) is the sole Manager of the Company;

WHEREAS, the Manager has reviewed proposed forms of the documents and agreements listed on Schedule 1 attached hereto (collectively, the “Primary Transaction Documents”);

WHEREAS, the Manager finds that the terms of the foregoing transactions (collectively, the “Transactions”), are fair and reasonable as to the Company under the circumstances, in the best interest of the Company , and in furtherance of the purposes of the Company ; and

WHEREAS, TCA has requested the Company to take all actions necessary or advisable to facilitate the Transactions;

NOW, THEREFORE, BE IT RESOLVED, that the Manager approves the Transactions and authorizes the execution, delivery and performance of the Primary Transaction Documents to which the Company is a party and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively with the Primary Transaction Documents, the “Transaction Documents”);

RESOLVED FURTHER, that the Manager appoints the Manager and the officers of the Company, if any, and each of them individually (each, an “Authorized Signatory”), as authorized signatories of the Company for purposes of executing the Transaction Documents on behalf of the Company;

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Company, to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, in the forms that have been presented to the Manager for approval or with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable, and all such other purchase and sale agreements, escrow agreements, bond purchase agreements, indentures, loan agreements, promissory notes, leases, deeds of trust, security agreements, account control agreements, subordination, non-disturbance and attornment agreements, tax certificates, offering memoranda, disclosure agreements, assignments, indemnification agreements, guaranties, subordination agreements, letters of representation, notices, certificates, and other documents, agreements, or instruments or amendments to any of the foregoing, as an Authorized Signatory may approve as necessary or advisable to facilitate the Transactions, each with such additions, deletions or changes therein as the Authorized Signatory executing the same shall approve (the execution and delivery thereof by any such Authorized Signatory to be conclusive evidence of his or her approval of any such document, agreement, instrument, amendment, addition, deletion or change);

RESOLVED FURTHER, that the Manager hereby ratifies and confirms the acts of the officers, agents or employees of the Company taken on behalf of the Company in connection with the Transactions;

RESOLVED FURTHER, that by the adoption of these resolutions, the Manager hereby reconfirms, ratifies and adopts all prior actions of the Manager which may have previously been taken in connection with the Transactions;

RESOLVED FURTHER, that all prior resolutions of the Manager or any parts thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict;

RESOLVED FURTHER, that these resolutions shall take effect and be in full force immediately after their adoption by the Manager; and

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are hereby authorized and directed, for and in the name and on behalf of the Company, to approve, execute and deliver any and all documents, instruments and agreements, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and by the agreements therein approved, and any such documents, instrument or agreements so executed and delivered or actions taken by them or any of them shall be conclusive evidence of their authority in so doing.

Certificate of Manager

The undersigned certifies that the undersigned is the duly appointed and acting manager of Partnering With Parents, LLC (the "Company"), a California limited liability company, and that the foregoing Resolutions were duly adopted by the Manager on November 30, 2017, in compliance with the Amended and Restated Operating of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand as Manager of the Corporation this 30th day of November 2017.

_____, Manager

Section 1

Primary Transaction Documents

1. The Bond Purchase Agreement.
2. The Master Indenture.
3. The Supplemental Master Indenture.
4. The Obligation No. 1.
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7. The Loan Agreement.
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THE CLASSICAL ACADEMIES

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Board Report California School Dashboard

Background:

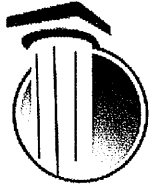
Based on the Local Control Funding Formula (LCFF), which was passed in 2013, California has a new accountability system that is based on multiple measures. These measures are used to determine local educational agency (LEA) and school progress toward meeting the needs of their students. The measures are based on factors that contribute to a quality education, including high school graduation rates, college/career readiness, student test scores, English learner (EL) progress, suspension rates, and parent engagement.

The sweeping overhaul of California's Accountability and Continuous Improvement System, ushered in with the 2013 passage of the LCFF, not only gives California a chance to address historical inequities, but provides the California Department of Education an opportunity to address and update the way they engage and work with one another to better support California's schools and the students they serve.

Performance on these multiple measures will be reported through the new California School Dashboard. The new accountability system reflects a clear expectation that all LEAs and schools can and should improve and emphasizes equity by focusing on student group performance. This new multiple measures system replaces the former Academic Performance Index (API), which was based solely on testing results, and the federal requirement to calculate Adequate Yearly Progress (AYP).

LEA and school performance in the following ten LCFF priority areas are measured using a combination of state and local indicators.

1. Basic Services and Conditions at schools
2. Implementation of State Academic Standards
3. Parent Engagement
4. Student Achievement
5. Student Engagement
6. School Climate
7. Access to a Broad Course of Study
8. Outcomes in a Broad Course of Study
9. Coordination of Services for Expelled Students
10. Coordination of Services for Foster Youth



THE CLASSICAL ACADEMIES

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Report:

Local Education Agencies (LEA), including charter public schools, must report on their California School Dashboard local indicators by December 1, 2017. Charter schools must report on the following priorities: Basic Services, Implementation of State Standards, Parent Engagement, and School Climate (suspension, expulsions, etc.).

There are three performance levels for ranking progress on these priorities: Met, Not Met, and Not Met for two or more years. LEAs, including charter public schools, must measure their progress annually on these priorities and report the progress at a regularly scheduled meeting of the Board. They do not require Board approval, and meeting minutes should indicate these were discussed and reported. If this data is not entered by the December 1st cutoff indicators will automatically show as "Not Met" on the dashboard. Currently The Classical Academy, Coastal Academy, and Classical Academy High School all report as "Met".

Some of the indicators are reported straight from data we submit to the state, like the suspension, expulsion, test scores, EL performance, etc. Charter public schools, must self report on the following California School Dashboard local indicators by December 1, 2017.

1. Basic Services
2. Implementation of State Standards
3. Parent Engagement
4. School Climate.

Other indicators are reported directly to the dashboard through our data submission to the state, such as achievement scores, suspensions, and expulsions.

There are three performance levels for ranking progress on these priorities:

Action Required by the Board:

This is an informational update and the Board requires no action on this item.

Cameron Curry
Executive Director

November 17, 2017