

NAVIGATOR SCHOOLS

RESOLUTIONS OF THE BOARD OF DIRECTORS BR 2021-05

January 13, 2021

(Watsonville Prep School Facility)

The Board of Directors (the “Board”) of Navigator Schools hereby adopts the following Resolutions:

WHEREAS, Navigator Schools, a California nonprofit public benefit corporation (“Corporation”), is organized for charitable purposes;

WHEREAS, Corporation caused the formation of Navigator Schools Support Corporation, a California nonprofit public benefit corporation (“Support Corporation”), to be operated exclusively to support Corporation;

WHEREAS, Corporation caused Support Corporation to form, and become the sole member of, 407 Main Street LLC, a California limited liability company (the “Borrower”);

WHEREAS, Corporation caused Support Corporation to adopt an operating agreement the “Operating Agreement”) for Borrower pursuant to which Corporation is designated as the initial manager of Borrower;

WHEREAS, Corporation operates the public charter school currently known as Watsonville Prep School, CDS Code 44 77248 0138909 (the “School”), currently located on the campus of E.A. Hall Middle School, 201 Brewington Avenue, Watsonville, California 95076;

WHEREAS, the Borrower proposes to lease certain real property located in the County of Santa Cruz, State of California, commonly known as 407 Main Street, Watsonville, California 95076 (the “Property”) from Hansen Family Trust (“Hansen”), pursuant to the terms of a Master Lease Agreement by and between Hansen, as Lessor, and Borrower, as Lessee, (the “Master Lease”), substantially in the form presented to the Board, for the purpose of relocating the operations of the School to the Property;

WHEREAS, Corporation currently proposes to sublease the Property from the Borrower pursuant to the terms of one or more Sublease Agreements each for a term of one year, with the initial Sublease Agreement commencing on the date of the QLICI Loan (as defined herein) funding and ending on June 30, 2021, and each subsequent Sublease Agreement ending on June 30 of each year through and including 2026, and a final Sublease Agreement for a term concurrent for the then remaining term of the Master Lease (collectively, the “Sublease”) by and between the Borrower, as Sublessor, and Corporation, as Sublessee; substantially in the form presented to the Board.

WHEREAS, Corporation proposes that the Borrower will construct certain improvements to the Property for an estimated total cost of approximately \$8,900,000 (the “Budget”);

WHEREAS, Corporation has requested Low Income Investment Fund, a California nonprofit public benefit corporation (“LIIF”), to make a loan to Twain Investment Fund 504, LLC, a Missouri limited liability company (the “Investment Fund”), in the form of a NMTC leverage loan of up to \$4,700,000 (the “LIIF Leverage Loan”). with such loan to be evidenced by a Loan Agreement (“LIIF Leverage Loan Agreement”) between LIIF and Investment Fund, a Promissory Note (the “LIIF Leverage Loan Note”) issued by Investment Fund to LIIF, and related loan documents;

WHEREAS, USB NMTC Fund 2020-6, LLC, a Delaware limited liability company (“USB Fund”) intends to make a capital contribution of approximately \$1,500,000 (“Fund Contribution”) to Investment Fund;

WHEREAS, Corporation has requested the Investment Fund use the proceeds of the LIIF Leverage Loan and the Fund Contribution to make an equity investment (the “QEI”), in Civic Builders Sub-CDE 17, LLC, a New York limited liability company (the CDE”);

WHEREAS, Corporation has requested LIIF to make a direct loan to the Borrower of up to \$1,545,758.00 (the “LIIF Direct Loan”), with such loan to be evidenced by a Loan Agreement (“LIIF Direct Loan Agreement”) between LIIF and the Borrower, a Promissory Note (the “LIIF Direct Loan Note”) issued by the Borrower to LIIF, and related loan documents;

WHEREAS, Corporation proposes that the Borrower and Corporation will secure or support the obligations of the Borrower and Corporation under the LIIF Direct Loan and the LIIF Leverage Loan pursuant to, among other agreements, for the LIIF Direct Loan (i) a first priority leasehold deed of trust (the “LIIF Deed of Trust”) executed by the Borrower encumbering the Property in favor of LIIF, (ii) an assignments of leases and rents (the “LIIF Assignment of Leases”) executed by the Borrower assigning the leases and rents of the Property to LIIF, (iii) an assignment of contracts, plans and specifications, assessments, entitlements and intangibles (the “LIIF Assignment of Contracts”) executed by the Borrower in favor of LIIF, and (iv) a construction payment and completion guaranty (the “LIIF Construction Guaranty”) executed by Corporation in favor of LIIF.

WHEREAS, Corporation has requested the CDE to use the proceeds of the QEI to make one or more loans to the Borrower of an aggregate amount up to \$5,880,000.00 (the “QLICI Loan”), with such loan to be evidenced by a Loan Agreement (“QLICI Loan Agreement”) between the CDE and the Borrower, one or more Promissory Notes (collectively, the “QLICI Notes”) issued by the Borrower to the CDE, and related loan documents;

WHEREAS, Corporation proposes to enter into that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification by and among the Borrower, Corporation and USBNA (the “QALICB Guaranty”);

WHEREAS, Corporation proposes to enter into that certain Investment Fund Put and Call Agreement, by and between USB Fund and Corporation (the “Put/Call Agreement” and collectively with the QALICB Guaranty the “NMTC Documents”);

WHEREAS, Corporation proposes that the Borrower and Corporation will secure or support the obligations of the Borrower under the QLICI Loan pursuant to, among other agreements, (i) a second priority leasehold deed of trust (the “QLICI Deed of Trust”) executed by the Borrower encumbering the Property in favor of the CDE, (ii) an assignments of leases and rents (the “QLICI Assignment of Leases”) executed by the Borrower assigning the leases and rents of the Property to the CDE, (iii) an assignment of contracts, plans and specifications, assessments, entitlements and intangibles (the “QLICI Assignment of Contracts”) executed by the Borrower in favor of the CDE, (iv) a security agreement (the “QLICI Security Agreement”) executed by Borrower in favor of the CDE encumbering all remaining personal property of Borrower, (v) a repayment and completion guaranty (the “QLICI Guaranty”) executed by Corporation in favor of the CDE, (vi) an environmental indemnity agreement (the “QLICI Environmental Indemnity”) executed by Borrower and Corporation in favor of the CDE, (vii) one or more account pledge agreements (the “QLICI Account Pledge Agreements”) executed by Corporation in favor of the CDE, (viii) one or more blocked account control agreements (the “QLICI Account Control Agreements”) executed by Corporation, the CDE, and U.S. Bank National Association, a national banking association (“USBNA”), and (ix) the New Markets Fee and Expense Agreement by and among Borrower, the Corporation, CDE, and Civic Builders , Inc., a New York not-for-profit corporation.

WHEREAS, Corporation proposes that the Borrower will use the proceeds of the LIIF Direct Loan and the QLICI Loan (collectively, the “Loans”) for the purpose of financing (i) the costs of construction of the improvements to the Property as contemplated by the Budget, including reimbursement of costs incurred by Corporation, (ii) capitalized interest needed to fund interest accrued from the date of the Loans to the date of the Borrower’s taking possession of the Property, and (iii) the payment of expenses incurred in connection with the making of the Loans;

WHEREAS, Corporation has requested Pacific Charter School Development, Inc., a California nonprofit public benefit corporation (“PCSD”), to make a loan (the “PCSD Loan”) to Corporation in the amount of up to approximately \$1,400,000.00 with such loan to be evidenced by a Loan and Security Agreement (“PCSD Loan Agreement”) between PCSD and Corporation, an Unsecured Subordinated Promissory Note (the “PCSD Note”) issued by Corporation to PCSD, and related loan documents;

WHEREAS, Corporation proposes that Corporation will use the proceeds of the PCSD Loan and other funds of the Corporation to purchase a controlling membership interest in Borrower, and to make a charitable contribution to Support Corporation to enable Support Corporation to make an equity contribution in the Borrower, all as may be necessary or desirable to capitalize Borrower for purposes of engaging in the transactions described above

WHEREAS, Corporation proposes that the rent payable under the Sublease will include amounts sufficient to enable the Borrower to satisfy its obligations under the Master Lease, to satisfy the Borrower’s obligations to LIIF and the CDE with respect to the Loans, to fund costs

of construction in excess of the amounts funded by the Loans, and to fund the Borrower's operating expenses, including expenses for audit and accounting services;

WHEREAS, Corporation proposes to make such other loans, lease payments, or charitable contributions to the Borrower as may be necessary or desirable to capitalize the Borrower for purposes of entering into the transactions described above;

WHEREAS, the individuals listed on Schedule 1 attached hereto have been elected or appointed to the offices of Corporation set forth after their names on Schedule 1, and such individuals are currently serving as such officers of Corporation;

WHEREAS, the Board finds that the terms of the foregoing transactions (collectively, the "Transactions"), including the Loans, the PCSD Loan, the Master Lease, the Sublease, and the NMTC Documents are fair and reasonable as to Corporation and the Borrower (collectively, the "Corporation Entities") and Support Corporation under the circumstances, are in the best interests of the Corporation Entities and Support Corporation, and are in furtherance of the charitable purposes of Corporation; and

WHEREAS, the Board desires the Corporation Entities and Support Corporation to take all actions necessary or advisable to facilitate the Transactions; now, therefore, be it

RESOLVED, that, the Board ratifies and approves the Transactions and authorizes the execution, delivery and performance by the Corporation Entities of the documents and agreements listed on Schedule 2 attached hereto (collectively, the "Primary Transaction Documents"), as applicable, to which the Corporation Entities may be a party and all such other all such documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively, the "Transaction Documents");

RESOLVED, that the Board requests Support Corporation to take all actions necessary or advisable to facilitate the Transactions;

RESOLVED, that from the proceeds of the PCSD Loan and such other funds as may be available to the Corporation, and in consideration of the assignment by the Corporation to Borrower of certain agreements, property rights, plans and specifications acquired by the expenditure of the Corporation of approximately \$475,150 in pre-development expenses (as described in that certain Assignment and Assumption of Contracts, Ancillary Documents and Other Rights presented to the directors), the Corporation shall purchase a controlling membership interest in Borrower, and make a charitable contribution (the "Grant") to Support Corporation, all in an aggregate amount sufficient, in the judgment of the officers of the Corporation, together with the Direct Loan and the QLICI Loan, to capitalize Borrower for purposes of engaging in the Transactions.

RESOLVED, that the officers of the Corporation, on its behalf in its capacities as manager and a member of Borrower, are authorized to sign and deliver an Amended and Restated Operating Agreement of Borrower to amend and restate the operating agreement of Borrower to effect the admission of Corporation as a member, to reaffirm that the Corporation will be the manager of Borrower, to reaffirm Support Corporation as a member of Borrower and to reflect the resulting membership interests of the Corporation and Support Corporation, and

provide for such other matters as such officers deem in their judgment to be necessary and appropriate and in the best interests of the Corporation.

RESOLVED, that the officers of Corporation, are authorized make the Grant to Support Corporation and to sign and deliver (i) that certain Donation Letter Agreement by Corporation in favor of Support Corporation, and (ii) that certain Assignment and Assumption of Contracts, Ancillary Documents and Other Rights to Borrower.

RESOLVED, that the Board requests Support Corporation to contribute the Grant to the Borrower as a contribution to capital and to sign and deliver the above referenced Amended and Restated Operating Agreement of Borrower.

RESOLVED, that the Board hereby approves, confirms, and ratifies the election or appointment of the officers of Corporation listed on Schedule 1 attached hereto;

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

RESOLVED, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of Corporation, for itself and as a member or manager of the Borrower, and for and in the name and on behalf of the Borrower, to open such deposit accounts or other bank accounts and to contract for such banking services for the Corporation Entities as such Authorized Signatories may deem necessary or advisable to facilitate the Transactions and to execute, on behalf of the Corporation Entities, all related standard form resolutions required by all banks, trust companies and financial institutions;

RESOLVED, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of Corporation, for itself and as a member or manager of the Borrower, and for and in the name and on behalf of the Borrower, to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, together with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable to facilitate the Transactions, and all such other loan agreements, promissory notes, obligations, leases, subleases, deeds of trust, security agreements, account control agreements, subordination, non-disturbance and attornment agreements, tax certificates, tax and regulatory compliance agreements, disclosure agreements, assignments, indemnification agreements, guaranties, subordination agreements, escrow agreements, agreements with project managers, contractors, architects, engineers, consultants, or other persons, 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 may 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, that the Board hereby ratifies and confirms the acts of the officers, agents or employees of Corporation taken on behalf of Corporation, for itself or as a member or manager of the Borrower, in connection with the Transactions;

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

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

RESOLVED, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of Corporation, for itself and as a member or manager of the Borrower, and for and in the name and on behalf of the Borrower, 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 the Corporation and that the foregoing is a true and correct copy of Resolutions that were duly adopted on January 13, 2021, 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 such date 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 13th day of January 13, 2021.

Nora Crivello, Secretary

Schedule 1

Officers of the Corporation

Kevin Sved	President, Chief Executive Officer and Executive Director
Nora Crivello	Secretary
Amy Ortiz	Chief Financial Officer

Schedule 2
Primary Transaction Documents

1. LIIF Leverage Loan Agreement
2. LIIF Leverage Loan Note
3. LIIF Pledge Agreement
4. LIIF Direct Loan Agreement
5. LIIF Direct Loan Note
6. LIIF Deed of Trust.
7. LIIF Assignment of Leases
8. LIIF Assignment of Contracts
9. LIIF Guaranty
10. LIIF Indemnity Agreement on Environmental and Handicapped Access
11. QLICI Loan Agreement
12. QLICI Notes
13. QLICI Deed of Trust.
14. QLICI Assignment of Contracts
15. QLICI Assignment and Assumption of Contracts (Corporation to 407 Main St)
16. QLICI Guaranty
17. QLICI Environmental Indemnity
18. QLICI Account Pledge Agreements (Disbursement Account)
19. QLICI Account Control Agreements (Disbursement Account)
20. QLICI Account Pledge Agreements (Allocatee Fee Reserve)
21. QLICI Account Control Agreements (Allocatee Fee Account)
22. Disbursing Agreement
23. Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification
24. Investment Fund Put and Call Agreement

25. New Markets Fee and Expense Agreement
26. PCSD Loan Agreement
27. PCSD Note
28. Master Lease Agreement
29. Master Sublease Agreements
30. Amended and Restated Operating Agreement of the Borrower
31. Donation Letter Agreement by Corporation in favor of Support Corporation
32. Community Benefits Agreement