



**RESOLUTION OF THE BOARD OF DIRECTORS OF  
COMPASS CHARTER SCHOOLS**

Board Resolution 2018-03

Affiliation Agreement with REALM Charter Schools,  
Including Financial Assistance

The Board of Directors ("Board") of Compass Charter Schools ("Compass") does hereby adopt the following resolution:

WHEREAS, Compass is a California nonprofit public benefit corporation that has been determined to be exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, whose charitable purposes include to create, manage, operate, guide, direct and promote one or more public charter schools and currently operates three public charter schools;

WHEREAS, REALM Charter Schools ("REALM") is a California nonprofit public benefit corporation that has been determined to be exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code, whose charitable purposes include to manage, operate, guide, direct and promote one or more California public charter schools and currently operates a public charter school known as REALM Charter School ("School") authorized by Berkeley Unified School District ("District");

WHEREAS, Compass and REALM desire to enter into an affiliation agreement ("Affiliation Agreement") for the primary and specific purposes of supporting, benefitting and furthering the charitable and educational purposes of both parties, in the form attached hereto as Exhibit A and incorporated by reference;

WHEREAS, Compass will benefit from the Affiliation Agreement by expanding its opportunities to provide independent study programs;

WHEREAS, REALM is in need of financing to re-start construction of its middle school site located at the Pacific School of Religion's Seely Mudd Building, 1798 Scenic Drive, Berkeley, CA 94709 within the boundaries of the District ("Middle School Site") and to address a pending Notice of Intent to Revoke the School's Charter issued by the District to REALM and dated November 19, 2018;

WHEREAS, in consideration and furtherance of the Affiliation Agreement, Compass desires and has adequate surplus, unrestricted funds to provide REALM with a one-year loan in the aggregate principal amount of One Hundred Thousand Dollars (\$100,000), and which shall bear interest at a rate equal to Three and a Half Percent (3.5%) per annum, or the maximum rate

allowable by law, whichever is lower, to use towards the construction of the School's Middle School Site ("Loan");

WHEREAS, the Loan serves and furthers Compass's charitable purposes to create, manage, operate, guide, direct and promote one or more public charter schools;

WHEREAS, in order to document Compass' and REALM's respective rights and obligations with regard to the Loan, the Board of Directors of Compass, as lender, has reviewed and desires to enter into the Loan Agreement and unsecured Promissory Note (collectively, the "Loan Documents") attached hereto as Exhibit 4.1 to the Affiliation Agreement and incorporated by reference; and

WHEREAS, this Board of Directors hereby finds that the Loan as set forth in the Loan Documents will not adversely impact Compass' continued and successful operations and is just and reasonable as to Compass in furtherance of Compass's charitable purposes at the time it is reviewed and authorized pursuant to this resolution.

NOW, THEREFORE, this Board does hereby find, resolve and order as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Affiliation Agreement, including the Loan, are hereby approved and this Board of Directors has reviewed and approved the Loan Documents; and

Section 3. The Superintendent & Chief Executive Officer ("CEO") and Secretary of Compass, or the duly delegated representatives of any of the foregoing (each an "Authorized Officer"), acting alone or together, are hereby authorized and directed to execute and deliver the Affiliation Agreement and Loan Documents, certify the foregoing resolutions and take or cause to be taken all such other actions as may be required to fulfill the purposes of the foregoing resolutions.

\* \* \*

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution at a special Board meeting this 7<sup>th</sup> day of December, 2018.

By: \_\_\_\_\_  
J.J. Lewis, Superintendent & CEO