



Alta Public Schools

Special Meeting of the Alta Public Schools Foundation

Date and Time

Wednesday June 26, 2024 at 6:47 PM PDT

Location

ZOOM: <https://altaps-org.zoom.us/j/86768222540>, Meeting ID: 867 6822 2540, Tel: (669)900-6833, 8676822254 0#

In Person:

8001 Sant Fe Ave., Walnut Park, CA 90255

2410 Broadway, Walnut Park, CA 90255

2547 Flower St., Huntington Park, CA 90255

10616 S. Western Ave., Los Angeles CA 900047

6350 N Laurel Canyon Blvd, #201, North Hollywood CA 91606

9850 Wilshire Blvd., Beverly Hills, CA 90201

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:47 PM
A. Record Attendance			1 m
B. Call the Meeting to Order			
II. Action Items			6:48 PM

	Purpose	Presenter	Time
A. Approve Resolution Approving Participation in and Issuance of Tax-exempt and Taxable Bonds via the California School Finance Authority (CSFA)	Vote	Xavier Reyes	10 m
III. Other Business			
IV. Closing Items			
A. Adjourn Meeting	Vote		

Coversheet

Approve Resolution Approving Participation in and Issuance of Tax-exempt and Taxable Bonds via the California School Finance Authority (CSFA)

Section: II. Action Items
Item: A. Approve Resolution Approving Participation in and Issuance of Tax-exempt and Taxable Bonds via the California School Finance Authority (CSFA)
Purpose: Vote
Submitted by:
Related Material: 24 06 05 Bond Resolution APS (4880-4934-6502.v2).doc.pdf

ALTA PUBLIC SCHOOLS

RESOLUTIONS OF THE BOARD OF DIRECTORS

(2024 Bond Refinancing)

The Board of Directors (the “**Board**”) of Alta Public Schools, a California nonprofit public benefit corporation (the “**Corporation**”), hereby adopts the following Resolutions:

WHEREAS, the Corporation is incorporated for charitable purposes; and

WHEREAS, the specific and primary purpose of the Corporation is to manage, operate, guide, direct and promote one or more charter schools and conduct and perform any ancillary or related activities in furtherance thereof, including but not limited to acquiring land and dedicating same to public use and/or for the benefit of and use by low-income persons; and

WHEREAS, the Corporation is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Corporation operates Academia Moderna and Prepa Tec Los Angeles (the “**Schools**”) as charter schools under the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the California Education Code); and

WHEREAS, the Corporation is the sole member of AMPT LLC (“**Elementary School Landlord**”), a California limited liability company whose sole member is the Corporation and which owns the Elementary School Facility, as defined below;

WHEREAS, Alta Public Schools Foundation, a California nonprofit public benefit corporation and supporting organization formed to support the Corporation pursuant to Section 509(a)(3) of the Internal Revenue Code, will be the borrower in this transaction (the “**Borrower**”) and is the sole member of PTMS LLC, a California limited liability company (the “**Middle School Landlord**”, and together with Elementary School Landlord, the “**Landlords**”);

WHEREAS, in 2014, the California School Finance Authority (the “**Authority**”) previously issued its California School Finance Authority School Facility Revenue Bonds (Alta Public Schools Project) Series 2014A (the “**Series 2014A Bonds**”) and California School Finance Authority School Facility Revenue Bonds (Alta Public Schools Project) Series 2014B (Taxable) (the “**Series 2014B Bonds**” and, together with the Series 2014A Bonds, the “**Series 2014 Bonds**”) pursuant to an Indenture, dated as of August 1, 2014 (the “**2014 Indenture**”), by and between the Authority and U.S. Bank National Association, as trustee (the “**Trustee**”). The Authority loaned the proceeds of the Series 2014 Bonds to the Elementary School Landlord as borrower, pursuant to a Loan Agreement, dated as of August 1, 2014 (the “**2014 Loan Agreement**”), by and among the Authority and the Elementary School Landlord as borrower. The proceeds of the Series 2014 Bonds were used to finance the acquisition, improvement, and equipping of the Elementary School Facility as defined below;

WHEREAS, the Authority previously issued its California School Finance Authority Charter School Revenue Bonds (Alta Public Schools – Obligated Group) Series 2020A, in the aggregate principal amount of \$17,855,000 (the “**Series 2020A Bonds**”) and California School Finance Authority Charter School Revenue Bonds (Alta Public Schools – Obligated Group) Series 2020B (Taxable), in the aggregate principal amount of \$1,465,000 (the “**Series 2020B Bonds**”) and, together with the Series 2020A Bonds, the “**Series 2020 Bonds**”) pursuant to an Indenture, dated as of February 1, 2020 (the “**2020 Indenture**”), by and between the Authority and Trustee. The Authority loaned the proceeds of the Series 2020 Bonds to the Borrower pursuant to a Loan Agreement, dated as of February 1, 2020 (the “**2020 Loan Agreement**”), by and among the Authority and the Borrower, and acknowledged by the Middle School Landlord. The proceeds of the Series 2020 Bonds were used to (i) finance or refinance certain costs of the acquisition, construction, improvement, equipping and furnishing of the Prepa Tec Facility; (ii) fund a debt service reserve account; (iii) fund capitalized interest on a portion of the Series 2020 Bonds; and (iv) pay certain costs of issuance of the Series 2020 Bonds, and the 2020 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the 2020 Loan Agreement and Obligation No. 1 relating to the Bonds (“**Obligation No. 1**”) issued by the Borrower in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of February 1, 2020 (the “**Master Indenture**”), by and among the Borrower, the Middle School Landlord, as Initial Member of the Obligated Group, and U.S. Bank National Association, as master trustee thereunder (the “**Master Trustee**”), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of February 1, 2020 (the “**2020 Supplemental Master Indenture**”), by and between the Borrower, as representative of the Obligated Group, and the Master Trustee;

WHEREAS, as part of the Series 2020 Bond financing, the Middle School Landlord granted to the Master Trustee a first priority lien on its leasehold interest in the Middle School Facility pursuant to a leasehold deed of trust, security agreement, assignment of rents and leases and/or financing statement as provided therein (the “**Mortgage**”) executed in 2020. In addition, pursuant to a deed of trust, security agreement, assignment of rents and leases and/or financing statement (the “**Alta Deed of Trust**”) executed in 2020, the Corporation granted to the Master Trustee a first priority lien on its fee simple interest in the Middle School Facility;

WHEREAS, as the Corporation is the fee simple owner of the Middle School Facility, as part of the Series 2020 Bond financing, the Corporation leased the Middle School Facility to the Middle School Landlord pursuant to that certain Ground Lease Agreement, dated as of February 1, 2020, by and between the Corporation, as lessor, and the Middle School Landlord, as lessee (the “**Ground Lease**”), and the Middle School Landlord leased the Middle School Facility back to the Corporation pursuant to multiple Lease Agreements, each effective as of February 10, 2020, but for subsequent terms, with the term of each subsequent Lease Agreement commencing on the termination date of the prior Lease Agreement, each dated as of February 1, 2020, and each by and between the Middle School Landlord, as lessor, and Corporation, as lessee (collectively, the “**Prepa Tec Lease**”);

WHEREAS, the Authority now proposes to issue its California School Finance Authority Charter School Revenue Bonds (Alta Public Schools – Obligated Group) Series 2024A (the “**Series 2024A Bonds**” or the “**Tax-Exempt Bonds**”) and California School Finance

Authority Charter School Revenue Bonds (Alta Public Schools – Obligated Group) Series 2024B (Taxable) (the “**Series 2024B Bonds**” or the “**Taxable Bonds**” and, together with the Series 2024A Bonds, the “**Series 2024 Bonds**”) in a maximum aggregate amount not to exceed \$12,500,000 pursuant to an Indenture, dated as of August 1, 2024 (the “**Indenture**”) by and between the Authority and the Trustee;

WHEREAS, the Authority will make a loan (the “**Loan**”) of the proceeds of the Series 2024 Bonds to the Borrower, pursuant to the terms of the Indenture and a Loan Agreement dated as of August 1, 2024, in substantially the form presented to the Board of Directors (the “**Loan Agreement**”) by and between the Authority and the Borrower;

WHEREAS, the Borrower propose to use the proceeds of the Loan to, among other things, (i) to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of: (I) the charter school educational facilities known as Academia Moderna (“**Academia Moderna**”) located at 2410 Broadway, Walnut Park, California 90255 (the “**Elementary School Facility**”); and (II) the charter school educational facilities known as Prepa Tec Los Angeles (“**Prepa Tec Middle**”) located at 8001 Santa Fe Avenue, Walnut Park, California 90255 (the “**Middle School Facility**” and, together with the Elementary School Facility, the “**Facilities**”); (ii) to refund the Series 2014A Bonds; (iii) to fund capitalized interest on a portion of the Bonds through [REDACTED] 1, 20[REDACTED]; (iv) to fund a portion of the Reserve Account and Repair and Replacement Fund with respect to the Bonds; and (v) to pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “**Series 2024 Project**”);

WHEREAS, the Series 2024 Bonds and the interest thereon will be payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 2 relating to the Bonds (“**Obligation No. 2**”) issued by the Borrower, as Obligated Group Representative, in an amount equal to the aggregate principal amount of the Bonds pursuant to the Master Indenture, as supplemented by a Supplemental Master Indenture for Obligation No. 2, dated as of August 1, 2024 (the “**Supplemental Master Indenture**”), by and among the Borrower, the Middle School Landlord, and the Elementary School Landlord, as an additional Member of the Obligated Group, and the Master Trustee;

WHEREAS, the Corporation is currently the sole member of the Elementary School Landlord, and in order to ensure competitive interest rates for the Series 2024 Bonds by simplifying the financing structure contemplated herein, ensure the maximization of SB 740 funding for the Schools, provide for Academia Moderna to finance tenant improvements to its facility, and provide for financial benefits for Prepa Tec Middle through lower rent payments has determined it is in the best interest of the Corporation to transfer its sole membership of the Elementary School Landlord to the Borrower, which is a supporting organization formed to support the Corporation and whose assets are dedicated to the support of the Corporation, through an assignment of membership interest (the “**Assignment of Membership Interest**”);

WHEREAS, in connection with the issuance of the Series 2024 Bonds, the Prepa Tec Lease will be amended pursuant to one or more Amendments to Lease Agreement, each dated as of August 1, 2024, by and between the Middle School Landlord and the Corporation

(collectively, the “**Prepa Tec Lease Amendment**”), and the Corporation will make payments of Rent under the Prepa Tec Lease from revenues derived solely from the Middle School Facility;

WHEREAS, the Elementary School Landlord is the fee simple owner of the Elementary School Facility and will lease the Elementary School Facility to the Corporation pursuant to one or more Lease Agreements, each effective as of the date of issuance of the Series 2024 Bonds, but for subsequent terms, with the term of each subsequent Lease Agreement commencing on the termination date of the prior Lease Agreement, each dated as of August 1, 2024, and each by and between the Elementary School Landlord, as lessor, and the Corporation, as lessee (collectively, the “**Academia Moderna Lease**”);

WHEREAS, Piper Sandler & Co. (the “**Underwriter**”) proposes to underwrite the Bonds pursuant to a bond purchase agreement (the “**Bond Purchase Agreement**”), by and among the Underwriter, the Authority, the Borrower, and the Corporation, in substantially the form presented to the Board;

WHEREAS, the Borrower is anticipated to be awarded a reservation of funds under the Authority’s Charter Access Bank Loan Enhancement Program or other credit enhancement grant program administered by the Authority (“**Credit Enhancement Grant**”), and if awarded, wishes to accept this grant by executing with the Authority a Project Program Agreement, a form of which will be provided by the Authority for signature by the Corporation and the Borrower prior to close of the Series 2024 Bond transaction;

WHEREAS, the Board of the Corporation has determined that it is in the best interest of the Corporation and the Elementary School Landlord to have the Authority issue the Series 2024 Bonds to finance the Series 2024 Project and for the Elementary School Landlord to lease the Facilities to the Corporation pursuant to the Academia Moderna Lease, each in substantially the form presented to the Board of Directors;

WHEREAS, the Corporation proposes to secure or support the obligations of the Corporation and the Elementary School Landlord under the Academia Moderna Lease and the obligations of the Borrower with respect to the Series 2024 Bonds by, among other things, (a) a pledge and assignment of the revenues and amounts described in the Academia Moderna Lease by the Corporation and a pledge and assignment of the revenues and amounts described in the Loan Agreement by the Borrower, (b) by that certain Deed of Trust, Financing Statement, Security Agreement, Assignment of Leases and Rents and Fixture Filing anticipated to be dated on or about August 1, 2024 in substantially the form presented to the Board of Directors (the “**Deed of Trust**”) from the Borrower, and (c) an intercept of portions of the Schools’ general purpose apportionment by the State Controller or another state agency of the State of California pursuant to Section 17199.4(a) of the Education Code of the State of California (the “**Intercept**”);

WHEREAS, a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the “**Offering Memorandum**”), in substantially the form presented to the Board of Directors, will be prepared to furnish information concerning the offering of the Series 2024 Bonds;

WHEREAS, the Board finds that the terms of the foregoing transactions (collectively, the “**Transactions**”) are fair and reasonable as to the Corporation, the Elementary School Landlord, the Borrower and the Schools under the circumstances, are in the best interests of the Corporation and the Schools, and in furtherance of the charitable purposes of the Corporation; and

WHEREAS, the Board desires that the Corporation and the Elementary School Landlord 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 by the Corporation and the Elementary School Landlord of the documents and agreements listed on Schedule 1 attached hereto and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions including a tax regulatory agreement with respect to confirming and maintaining the tax-exemption of interest on the Series 2024A Bonds from federal income tax of the owners thereof and such security instruments and account control agreements as may be deemed advisable in connection with the Transactions (collectively, the “**Transaction Documents**”);

RESOLVED FURTHER, that the Transactions and the Transaction Documents, in substantially the forms presented to the Board of Directors, together with any related documents be, and the same hereby are, approved in all respects.

RESOLVED FURTHER, that the Board hereby ratifies and confirms that (i) as of June 12, 2024, the persons named below had been duly selected as directors of the Corporation, held the offices of the Corporation set opposite their respective names, and had terms of office ending on the respective dates indicated, and (ii) as of the date hereof, the directors and officers of the Corporation, and the respective terms of office, continue to be as set forth below, and (iii) that the Board appoints the individuals listed below, and each of them individually, as well as Xavier Reyes, Chief Executive Officer (each, an “**Authorized Corporation Signatory**”, altogether “**Authorized Signatories**”), as authorized signatories of the Corporation for purposes of executing the Transaction Documents on behalf of the Corporation:

Name	Title
Gregory Tanner	Chair
Mary Porras	Secretary
Mario Castro	Member
Raul Carranza	Member
Samuel Cortez	Member
Luz Maria Castellanos	Member

RESOLVED FURTHER, that the Board appoints Xavier Reyes, Chief Executive Officer as authorized signatory of the Elementary School Landlord for purposes of executing any Transaction Documents on behalf of the Elementary School Landlord;

RESOLVED FURTHER, that any deficiencies in any prior action, appointment, election, minutes or records of the of directors or officers of the Corporation are hereby corrected to conform to this resolution;

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 and the Elementary School Landlord to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, with such amendments or modifications thereto as the Authorized Signatories may approve as necessary or advisable, and all such other grant deeds, escrow agreements, leases, security agreements, title insurance documents, account control agreements, subordination, non-disturbance and attornment agreements, tax certificates, tax and regulatory compliance agreements, 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 the Authorized Signatories 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 Authorized Signatories 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) of the Education Code of the State of California, the Board hereby elects to participate in the Intercept to secure payment of the principal and interest of the Series 2024 Bonds in amounts not exceeding the amounts due under the Leases, and that the Board hereby authorizes the Authorized Signatories, and each of them individually, for and in the name and on behalf of the Corporation and the Schools, to provide notices (“**Intercept Notices**”) to the State Controller of the State of California or such other state agency of the State of California of such election of the Board;

RESOLVED FURTHER, that the Corporation may apply for grant funds under the Charter School Facility Grant Program to be applied to costs associated with facility rents under any leases, including but not limited to the Leases, if eligible to do so;

RESOLVED FURTHER, that the Board ratifies and approves the applications of the Corporation for awards under the Credit Enhancement Grant in connection with the issuance of the Series 2024 Bonds;

RESOLVED FURTHER, the Corporation agrees to comply with the Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) related to the Series 2024 Bonds, as well as the post-issuance compliance procedures (the “**Post-Issuance Procedures**”) previously adopted pursuant to the Series 2020 Bonds;

RESOLVED FURTHER, that the Corporation hereby ratifies and confirms the acts of its officers, agents or employees taken on behalf of the Corporation and the Elementary School Landlord 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 authorized and directed, for and in the name and on behalf of the Corporation or the Elementary School Landlord, as applicable, 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 June 12, 2024, by the majority vote of the directors of the Corporation present at a meeting of the board of directors of the Corporation duly held on such date in compliance with the bylaws of the Corporation, and while a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation this twelfth day of June, 2024.

Mary Porras, Secretary

Schedule 1 Transaction Documents

1. Bond Purchase Agreement.
2. Indenture.
3. Supplemental Master Indenture.
4. Loan Agreement.
5. Obligation No. 2.
6. Prepa Tec Lease Amendment.
7. Academia Moderna Lease.
8. Deed of Trust.
9. Tax Regulatory Agreement.
10. Subordination, Nondisturbance and Attornment Agreement.
11. Continuing Disclosure Agreement.
12. Preliminary Limited Offering Memorandum.
13. Limited Offering Memorandum.
14. Program Agreement.
15. Assignment of Membership Interest.