

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
CHARTHOUSE PUBLIC SCHOOLS DECLARING AN
OFFICIAL INTENT TO PARTICIPATE IN THE
PAYCHECK PROTECTION PROGRAM AND
ADDRESSING CERTAIN OTHER MATTERS IN
CONNECTION THEREWITH.**

The Board of Directors of Charthouse Public Schools, a California nonprofit public benefit corporation (the “Corporation”), does hereby adopt and approve the following resolutions and declare them to be in full force and effect at this regular meeting of the Board of Directors of the Corporation on May 4, 2020.

WHEREAS, the Corporation is a nonprofit corporation, duly organized and existing under the laws of the State of California (the “State”), and is duly qualified to do business in the State; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) is the governing body of the Corporation; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020, and as the Act was intended to provide emergency assistance to small businesses, including non-profits, affected by the 2020 coronavirus pandemic; and

WHEREAS, the Corporation has determined and approved in formal Board action on April 13, 2020 that it is necessary and desirable to apply for the Paycheck Protection Program (the “PPP”); and

WHEREAS, the Corporation was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes; and

WHEREAS, the current economic uncertainty makes this loan request necessary to support the ongoing operations of the Corporation; and

WHEREAS, the funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule, and it is understood that if the funds are knowingly used for unauthorized purposes, the federal government may hold the Corporation legally liable, such as for charges of fraud; and

WHEREAS, the Corporation will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan, and it is understood that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs; and

WHEREAS, during the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program; and

WHEREAS, the Corporation further certifies that the information provided in the application and the information provided in all supporting documents and forms is true and accurate in all material respects; it is understood that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law; and

WHEREAS, it is acknowledged that the lender will confirm the eligible loan amount using required documents submitted, and that the Lender can share any tax information that is provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews; and

WHEREAS, the economic uncertainty faced by the Corporation can be qualified and quantified based on actual and projected financial implications that are a result of the mandated school closures and shelter in place orders established by local and State health officials, and that these include significant reductions in 2020-21 enrollment based on diminished recruiting capacity in the high-yield season, decreased revenue as a result of canceled spring performance season, decreased local fundraising and grant returns in the high-yield season, decreased revenue as a result of possible 2019-20 State budget cuts or claw-backs, significant cash flow disruption as a result of apportionment deferrals, and significant annual revenue decrease in 2020-21 as a result of economic recession; and

WHEREAS, the Corporation's financial analysis indicates the impact of the school closure will result in minimal reserves and days of cash on hand which will in turn compromise the ability to maintain payroll and other operational costs, and that this fiscal position has proven that other traditional and responsible lending facilities are not accessible for the Corporation as evidenced by historical attempts or exclusive access; and

WHEREAS, the Corporation does not qualify for the federal CARES Act/Elementary and Secondary School Emergency Relief (ESSER) Fund assistance, and as anticipated future rounds of Federal funding are likely to follow a similar model, the Corporation will not be able to access this important financial benefit; and

WHEREAS, the Corporation submitted an application for the Paycheck Protection Program with an approved Small Business Association (the "SBA") lender; and was approved by the lender and subsequently the SBA on Thursday, April 30th, and anticipates full funding of the loan amount to be impending.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CHARTHOUSE PUBLIC SCHOOLS:

Section 1. **Declaration of Official Intent.** The Corporation presently intends and reasonably expects to participate to the full extent in the PPP including the initial borrowing and through the application of forgiveness and that the Corporation does so with full and appropriate compliance with the governing laws pertaining thereto and makes the requisite certifications in

good faith. The Board has authorized Neil McChesney to execute and complete all aspects of the PPP.

Section 3. **Resolution Number.** This is the first resolution of the Corporation declaring its intent to participate in the PPP.

Section 4. **Confirmation of Prior Acts.** All prior actions of the officials, employees and agents of the Corporation that are in conformity with the purpose and intent of this Resolution shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. **Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption.

CERTIFICATE OF SECRETARY

I, the undersigned Secretary of the Board of Directors of Charthouse Public Schools, a California nonprofit public benefit corporation (the "Corporation"), hereby certify that the attached is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Corporation at a special meeting thereof on May 4, 2020.

Secretary of the Board of Directors