



Encore JR/SR High School

Special Board Meeting- May 1, 2022

Published on April 29, 2022 at 3:24 PM PDT

Date and Time

Sunday May 1, 2022 at 4:30 PM PDT

Location

This meeting is being held virtually pursuant to Government Code Section 54953 (e). The public can access this meeting via Zoom as follows:

Join Zoom Meeting

<https://zoom.us/j/5871494303?pwd=Mit3eIRMOVhzYjM4K1d2SStPeEZiQT09>

Meeting ID: [587 149 4303](#)

Passcode: 936591

One tap mobile

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Meeting ID: [587 149 4303](#)

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Find your local number: <https://zoom.us/u/aFccAHayh>

Members of the public who wish to comment during the Board meeting may use the "raise hand" tool on the Zoom platform. Members of the public calling in will be given the opportunity to address the Board during the meeting. Individual comments will be limited to three (3) minutes. If an interpreter is needed for comments, they will be translated to English and the time limit shall be six (6) minutes. The Board may limit the total time for public comment to a reasonable time. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.

Agenda

	Purpose	Presenter	Time
I. Opening Items			4:30 PM
A. Call the Meeting to Order		Rob Gabler, Board President	
B. Record Attendance		Rob Gabler, Board President	1 m
C. Public Comment		Joseph Thibodeaux	1 m

All public comment, both on agenda items and non-agenda items within the jurisdiction of the Board, should be provided during the agenda item titled, "invitation for public to address the Board." Members of the public who wish to comment during the Board meeting may use the "raise hand" tool on the Zoom platform. Members of the public calling in will be given the opportunity to address the Board during the meeting. Individual comments will be limited to three (3) minutes per agenda item and one three (3) minute period to address an item not on the agenda. If an interpreter is needed for comments, they will be translated to English and the time limit shall be six (6) minutes per person per agenda item. The Board limits the total time for public comment to thirty minutes, and may extend this time at its sole discretion. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.

II. Finance			4:32 PM
A. Board Resolution 2022-005 (CEDA Series 2022 Bonds)	Vote	Sabrina Bow	10 m

This resolution authorizes Encore Education Corporation to borrow funds through a conduit bond issuance and includes the selection of corporate officers.

III. Closing Items			4:42 PM
A. Adjourn Meeting	Vote	Rob Gabler	2 m

A copy of the agenda will be posted at least 24 hours before such meeting. A copy of the written materials which will be submitted to the Board of Encore Junior and Senior High School for the Arts is available along with this agenda following the posting of the agenda by emailing Sabrina Bow at sbow@encorehighschool.com.

Requests for disability-related modifications or accommodations to participate in this public meeting shall be made 24 hours prior to the meeting by calling (760) 956-2632 or emailing Joseph Thibodeaux at jthibodeaux@encorehighschool.com. All efforts will be made for reasonable accommodations. The agenda and public documents can be modified upon request as required by Section 202 of the Americans with Disabilities Act.

Cover Sheet

Board Resolution 2022-005 (CEDA Series 2022 Bonds)

Section: II. Finance
Item: A. Board Resolution 2022-005 (CEDA Series 2022 Bonds)
Purpose: Vote
Submitted by:
Related Material:
Encore Board Resolution 2022-005 (CEDA Series 2022 Bonds).pdf

ENCORE EDUCATION CORPORATION

BOARD OF DIRECTORS

Board Resolution 2022-005 (CEDA Series 2022 Bonds)

The Board of Directors (the “Board”) of Encore Education Corporation hereby adopts the following Resolutions:

WHEREAS, Encore Education Corporation, a California nonprofit public benefit corporation (“Encore” or the “Corporation”), is organized for charitable purposes;

WHEREAS, Western Encore Properties Incorporated, a California nonprofit public benefit corporation (“WEP”), was formed and is operated exclusively to support Encore;

WHEREAS, WEP has formed and is the sole member and manager of 16955 Lemon Street, LLC, a California limited liability company (the “Landlord”);

WHEREAS, Encore operates the public charter school currently known as Encore High School for the Arts (the “School”) on real property (the “Lemon Street Property”) leased by Encore from the Landlord;

WHEREAS, in order to finance the acquisition and development of the Lemon Street Property, WEP obtained a loan (the “Series 2016 Loan”) from the California School Finance Authority (“CSFA”) in aggregate amount of \$17,440,000 pursuant to a Loan Agreement dated as of November 1, 2016, (the “2016 Loan Agreement”) between CSFA and WEP, which loan was funded from the proceeds of CSFA’s Charter School Revenue Bonds (Encore Education Obligated Group) Series 2016A and Charter School Revenue Bonds (Encore Education Obligated Group) Series 2016B (Taxable) (collectively, the “Series 2016 Bonds”) issued pursuant to an Indenture dated as of November 1, 2016, (the “Series 2016 Indenture”) between CSFA and UMB Bank, N.A., as successor Trustee (the “Series 2016 Bond Trustee”);

WHEREAS, in connection with the Series 2016 Loan Agreement, WEP, as the initial Obligated Group Representative, the Landlord, , as the Initial Member of an Obligated Group, and U.S. Bank National Association, as Master Trustee (together with its successors and assigns, the “Master Trustee”), entered into a Master Indenture of Trust dated as of November 1, 2016, (as amended or supplemented from time to time, the “Master Indenture of Trust”), as supplemented by a Supplemental Master Indenture for Obligation No. 1 dated as of November 1, 2016, (“Supplemental MTI No. 1”) between WEP, as Obligated Group Representative, and the Master Trustee, relating to the 2016 Loan Agreement, and WEP issued Obligation No. 1 in the principal amount of \$17,440,000 in favor of the Series 2016 Bond Trustee;

WHEREAS, in connection with the 2016 Loan Agreement, the Landlord and Encore entered into a Lease Agreement dated as of November 1, 2016, (as amended from time to time, the “Original Lease”) pursuant to which the Landlord leased the Lemon Street Property to Encore for use by Encore in the operation of the School;

WHEREAS, the Original Lease has been amended by a First Amendment to Lease Agreement dated as of August 1, 2019, by and between the Landlord and Encore;

WHEREAS, Encore and WEP propose that, in order to finance the Lease Payment described below, WEP will obtain a loan (the “Series 2022 Loan”) from the California Enterprise Development Authority (“CEDA”) in an aggregate amount not to exceed \$2,500,000 pursuant to a Loan Agreement (the “Series 2022 Loan Agreement”) between CEDA and WEP, which loan will be funded from the proceeds of CEDA’s Charter School Revenue Bonds (Encore Education Corporation) Series 2022 (Taxable) (the “Series 2022 Bonds”) to be issued pursuant to an Indenture (the “Series 2022 Indenture”) between CEDA and UMB Bank, N.A., as Trustee (the “Series 2022 Bond Trustee”);

WHEREAS, Encore and WEP propose that, in connection with the 2022 Loan Agreement, WEP and UMB Bank, N.A, as successor Master Trustee, will enter into a Supplemental Master Indenture for Obligation No. 2 (“Supplemental MTI No. 2”), and WEP will issue its Obligation No. 2 in the principal amount of the Series 2022 Bonds in favor of the Series 2022 Bond Trustee;

WHEREAS, Encore and WEP propose that, in connection with the 2022 Loan Agreement, the Landlord and Encore will further amend the Original Lease to provide for Landlord’s payment to Encore from the proceeds of the Series 2022 Bonds of a lease incentive payment (the “Lease Payment”) in the approximate amount of the net proceeds of the Series 2022 Bonds, to increase the rent payable by Encore under the lease, to add to and amend the covenants of Encore in the lease, to provide for Encore’s grant of a security interest in all unrestricted personal property of Encore to secure Encore’s obligations under the lease, and to provide for an intercept of Encore’s revenues in favor of the Master Trustee, subject to the intercept of the revenues of Encore effected in connection with the issuance of the Series 2016 Bonds, all as set forth in an Amended and Restated Lease Agreement (the “Lease”) to be effective as the making of the Series 2022 Loan;

WHEREAS, Encore and WEP propose that the obligations of WEP and the Landlord under the 2022 Loan Agreement, the Master Indenture of Trust, and Obligation No. 2 and/or the obligations of Encore under the Lease, will be secured or supported by, among other things (i) a pledge of the gross revenues of the Landlord, (ii) a security interest in all other personal property of the Landlord, (iii) the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing dated as of November 1, 2016, encumbering the Lemon Street Property executed by the Landlord in connection with the issuance of the Series 2016 Bonds, as supplemented by a Supplement to Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, (iv) a pledge and intercept of the gross revenues of Encore, subject to the intercept of the revenues of Encore effected in connection with the issuance of the Series 2016 Bonds, (v) a security interest in all unrestricted personal property of Encore, and (vi) Encore’s guaranty of all obligations of WEP under the Master Indenture;

WHEREAS, Stifel, Nicolaus & Company, Incorporated (“Stifel”) proposes to place the Series 2022 Bonds pursuant to a bond placement agreement (the “Bond Placement Agreement”) by and among Stifel, CEDA, WEP, and Encore;

WHEREAS, the Board finds that the terms of the foregoing transactions and proposed transactions (collectively, the “Transactions”), including the Lease are fair and reasonable as to

Encore, the School, WEP, and the Landlord (collectively, the “Encore Entities”) under the circumstances, in the best interests of the Encore Entities, and in furtherance of the charitable purposes of the Corporation;

WHEREAS, the Board desires the Encore Entities to take all actions necessary or advisable to consummate the Transactions; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board ratifies and confirms the election or appointment, as applicable, of the officers of the Corporation listed on Schedule 1;

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

RESOLVED FURTHER, that the Board requests WEP and the Landlord to take all actions necessary or advisable to consummate the Transactions;

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

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 open such deposit accounts or other bank accounts and to contract for such banking services for the WEP Entities as such Authorized Signatories may deem necessary or advisable to consummate the Transactions and to execute, on behalf of the WEP Entities, all related standard form resolutions required by all banks, trust companies and financial institutions;

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, together with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable to consummate the Transactions, and all such other applications, grant agreements, bond purchase agreements, private placement agreements, disclosure agreements, offering statements, offering memoranda, master indentures, supplements to master indentures, indentures, 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, assignments, indemnification agreements, guaranties, subordination agreements, escrow 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 consummate 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 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 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 the Corporation and that the foregoing is a true and correct copy of Resolutions that were duly adopted on _____, 2022, 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 ____ day of _____ 2022.

Kelly Ahmed, Secretary

Schedule 1

Officers of the Corporation

Rob Gabler

Chairperson

Sabrina Bow

President, Chief Executive Officer and
Executive Director

Kelly Ahmed

Secretary

Schedule 2

Primary Transaction Documents

1. Bond Placement Agreement.
2. Indenture.
3. Bonds.
4. Loan Agreement.
5. Supplemental MTI for Obligation No. 2.
6. Obligation No. 2 (as such term is defined in the Supplemental MTI for Obligation No. 2).
7. Lease.
8. Guaranty.
9. Intercreditor and Collateral Agency Agreement.
10. Continuing Disclosure Agreement.
11. Private Placement Memorandum.
12. Supplement to Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing.
13. Amended and Restated Subordination, Non-Disturbance and Attornment Agreement.