

RESOLUTION NO. 24-13

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE AND SALE OF TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 TO PROVIDE FINANCIAL ASSISTANCE FOR AN ELIGIBLE PROJECT FOR THE BENEFIT OF FORTUNE FACILITIES LLC, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN ONE OR MORE SERIES, PROVIDING THE TERMS AND CONDITIONS FOR SAID TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS ASSOCIATED THEREWITH

WHEREAS, the California Infrastructure and Economic Development Bank (the “IBank”) is duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) as now in effect and as it may be amended or supplemented (the “Act”);

WHEREAS, IBank is authorized under the provisions of the Act, among other things, to issue tax-exempt and/or taxable revenue bonds to provide financing and refinancing for eligible projects located in the State of California;

WHEREAS, Fortune Facilities LLC, a California limited liability company (the “Company”), has submitted an application (the “Application”) to IBank for financial assistance to (1) finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of an educational facility known as Fortune Home Office, located at 2890 Gateway Oaks Drive, Sacramento, California 95833, (2) pay capitalized interest on the Bonds (defined herein), (3) pay certain costs in connection with the issuance and sale of the Bonds, and (4) fund a debt service reserve fund, a repair and replacement fund, and/or related working capital with respect to the Bonds (collectively, the “Project”);

WHEREAS, the Project will be leased by Rex and Margaret Fortune School of Education, a California nonprofit public benefit corporation (the “Lessee”) from the Company, the sole member of which is the Lessee;

WHEREAS, for those purposes, the Company has requested that IBank (a) authorize the issuance and delivery of its tax-exempt and/or taxable revenue bonds to be sold through a limited public offering pursuant to the terms set forth in **Exhibit 1** attached hereto (the “Term Sheet”), entitled California Infrastructure and Economic Development Bank Revenue Bonds (Fortune School of Education Obligated Group), Series 2024 (the “Bonds”), or such other name or names and with such series designations as may be necessary or desirable to conform to the terms of the Bonds to be issued pursuant to the Indenture (defined below), (b) loan the proceeds of the Bonds to the Company pursuant to a Loan Agreement by and between IBank and the Company (the “Loan Agreement”) to finance the costs of the Project (the “Company Loan”), (c) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived solely from

the Company's payment of the Company Loan; and (d) take and authorize certain other actions in connection with the foregoing (collectively, the "Transaction");

WHEREAS, the IBank's Policies and Procedures for Conduit Revenue Bonds Financing for Economic Development Facilities (the "Policies") are to issue publicly offered bonds only where such bonds bear a long-term rating of at least a "Baa3" from Moody's Investors Service, and/or "BBB-" from S&P Global Ratings, or Fitch Ratings, Inc. (the "Minimum Rating Policy");

WHEREAS, under the Policies, the IBank Board (as defined below) may consider a waiver of the Minimum Rating Policy (the "Rating Waiver") based on special circumstances, or (i) for IBank revenue bonds (such as the Bonds) that are privately placed in a limited underwritten offering or sold directly to investors that are qualified institutional buyers within the meaning of S.E.C. Rule 144A ("Qualified Institutional Buyers") or accredited investors within the meanings of the Code of Federal Regulations, Section 230.501(a) ("Accredited Investors"), specifically under subsections (1), (2), (3), (7), (8), (9), or (12) of such Section (such Accredited Investors, "Institutional Accredited Investors"), (ii) where each initial investor signs a "sophisticated investor" letter (the "Investor Letter") acceptable to IBank, (iii) where subsequent transferees sign an Investor Letter in the event the Minimum Rating Policy is not satisfied (the "Traveling Investor Letter Policy"), and (iv) for IBank revenue bonds (such as the Bonds) that have a minimum denomination of at least \$100,000;

WHEREAS, the Company has applied to the California School Finance Authority, a public instrumentality of the State of California, to issue its charter school revenue bonds concurrently with the Bonds to finance certain charter school facilities (the "CSFA Transaction") to be sold through a limited public offering to Qualified Institutional Buyers or Accredited Investors, and intends to market and sell the Bonds under the same terms and conditions as the CSFA Transaction;

WHEREAS, although the Company has represented that it expects to obtain an initial rating on the Bonds of at least "BBB-" from S&P Global Ratings, the Company has requested that IBank authorize and approve the Rating Waiver to waive the Traveling Investor Letter Policy (such waiver, the "Traveling Investor Letter Waiver") and the requirement under the Policies that the Bonds may only be sold to Accredited Investors that are Institutional Accredited Investors (such waiver, the "Institutional Investor Waiver") in order to market and sell the Bonds under the same terms and conditions as the CSFA Transaction;

WHEREAS, under the Policies, IBank may waive any portion of the Policies not required by law;

WHEREAS, in furtherance of the Company's desire to market and sell the Bonds under the same terms and conditions as the CSFA Transaction, the Company has requested that the Bonds be subject to the applicable California School Finance Authority Debt Issuance Guidelines set forth in **Exhibit 2** attached hereto (the "CSFA Debt Issuance Guidelines");

WHEREAS, IBank staff has reviewed the Application from the Company and drafts of certain of the documents proposed to be entered into in connection with the Transaction, including an Indenture relating to the Bonds by and between IBank and Wilmington Trust, National Association (the "Indenture"), the Loan Agreement, a Bond Purchase Agreement, and a proposed

form of Limited Offering Memorandum (collectively, the “Transaction Documents”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank (the “Board”), as follows:

Section 1. The above recitals are true and correct.

Section 2. IBank authorizes and approves the issuance, execution, sale, and delivery of the Bonds on the terms set forth on the Term Sheet and lending the proceeds of the Bonds to the Company in order to finance and/or reimburse the costs of the Project pursuant to the terms and provisions as approved by this resolution (this “Resolution”).

Section 3. IBank authorizes and approves the Rating Waiver, the Institutional Investor Waiver and the Traveling Investor Letter Waiver in connection with the Transaction. IBank further authorizes the Bonds to be issued pursuant to the CSFA Debt Issuance Guidelines.

Section 4. The Executive Director, the Chief Deputy Executive Director, or the Executive Director’s assignees, each acting alone (each an “Authorized Representative”), is hereby authorized to execute and deliver the Transaction Documents in substantially the forms on file with the Secretary of the Board, and with such changes therein as an Authorized Representative may require or approve to carry out the intent of this Resolution. Any Authorized Representative is also authorized to execute and deliver any and all other agreements, documents, certificates and instruments (including without limitation a no arbitrage certificate, letters of representations and certifications of authority, a tax certificate, and tax forms required by the Internal Revenue Service in connection with the issuance of the Bonds) which they may deem necessary or desirable to consummate the issuance, sale and delivery of the Bonds, assign security provided by the Company with respect to the Company Loan to the trustee under the Indenture as security for the Bonds, consummate the Transaction, and otherwise to effectuate the purposes of this Resolution.

Section 5. All actions heretofore taken by the officers, employees and agents of IBank with respect to the approval, issuance and sale of the Bonds and the consummation of the Transaction are hereby approved, confirmed and ratified. Any Authorized Representative is hereby authorized to take actions and execute and deliver any and all certificates and instruments that they may deem necessary or desirable in order to (i) consummate the issuance, sale and delivery of the Bonds and the use of the proceeds of the Bonds to fund the Company Loan, (ii) effect the financing and/or the reimbursement of costs of the Project, (iii) facilitate the Transaction, and (iv) otherwise effectuate the purposes of this Resolution.

Section 6. Unless extended by the Board, the Board’s approval of the Transaction is conditioned upon its closing within one hundred eighty (180) days from the date of the adoption of this Resolution.

Section 7. IBank hereby approves the execution and delivery of the Transaction Documents and other certificates and documents related thereto, with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the California Government Code.

Section 8. This Resolution is contingent upon the approval of the Transaction by the

governing board of the Borrower and shall take effect immediately thereafter.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on August 28, 2024, by the following vote:

AYES: Dombrowski, Ma, Perrault, Quant, Steinorth

NOES:

ABSENT:

ABSTAIN:

By **scott wu** Digitally signed by scott wu
Date: 2024.08.28 15:51:44
-07'00'

Scott Wu
Executive Director

Attest:

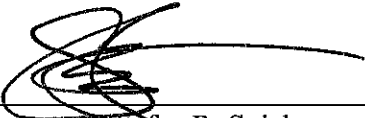
By  _____
Stefan R. Spich
Secretary of the Board of Directors

EXHIBIT 1

IBank Term Sheet Fortune Facilities LLC Date: August 28, 2024

Bond Par Amount:	Not to exceed \$12,000,000; in one or more tax-exempt and/or taxable series
Type of Offering:	Limited Public Offering
Underwriter:	Stifel, Nicolaus, & Company, Inc.
Credit Enhancement:	None Expected
Expected Credit Rating:	S&P Global Ratings: “BBB-”
True Interest Cost:	Not to exceed 6.50%
Expected Maturity:	40 years from the date of issuance
Expected Collateral:	The Company Loan will be secured by Obligation No. 3, issued pursuant to Supplemental Master Indenture for Obligation No. 3 between the Company, as Initial Member of the Obligated Group and Obligated Group Representative, and Wilmington Trust, National Association, as Master Trustee. The Company Loan will also be secured by deeds of trust, security agreements, assignments of rents and leases and financing statements (the “Mortgages”) in favor of the Master Trustee, granting the Master Trustee a first priority lien on the Fortune Home Office property and other properties owned by Members of the Obligated Group.
Expected Closing Date:	October 17, 2024
Conduit Transaction:	The Bonds are special, limited obligations payable solely from payments made by the Company under the Transaction Documents and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of the payment to be made pursuant to the Bonds.

EXHIBIT 2

California School Finance Authority Debt Issuance Guidelines

RATING	ISSUANCE PROVISIONS
I. Debt Rated a minimum BBB-/BBB-/Baa3	<ul style="list-style-type: none">• Bonds will be in minimum denominations of \$25,000• Bonds may be publicly offered or privately placed• Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI)• Subsequent transfers of bonds are limited to QIBs and AIs• Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents
II. Debt Rated less than BBB-/BBB-/Baa3, or unrated	<ul style="list-style-type: none">• Bonds will be in minimum denominations of \$100,000• Bonds will be privately placed or publicly offered initially to QIBs and AIs• Initial bond purchasers will be required to execute an Investor Letter• Subsequent transfers of bonds will be limited to QIBs and AIs• Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents• One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority:<ul style="list-style-type: none">○ Traveling Investor Letter; or○ Higher minimum denominations of \$250,000; or○ Physical Delivery; or○ Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or○ Other investor protection measures