

Orange County Educational Arts Academy
A California Public Charter School

BOARD OF DIRECTORS
MEETING AGENDA

Regular Meeting

April 12, 2023

6:15 p.m. – Closed Session

7:00 p.m. – Open Session

OCEAA School Library

825 N Broadway, Santa Ana, CA

Reference Materials: <https://bit.ly/3MjqEm8>

Zoom Link for Presenters: <https://bit.ly/33DU6Mz>

MINUTES

I. Call to Order: 6:15 PM

A. Roll Call

Board Members

Dr. Alfonso Bustamante

Valerie Sullivan

Scott Overpeck, Chair

Ben Stanphill, Secretary

Boris Molina

Carmen Aparicio

Jessica Reyes

Present

Absent

X

X

X

X

X

X

X

Staff/Other

Pedro Llorente, School Director

Mike Limon, President/Executive Director

X

X

B. Approval of Agenda

II. Public Comment on Closed Session Items, If Any

Opportunity for members of the public to address the Board on closed session items

III. Adjourn to Closed Session

A. Staff Evaluations/Discipline/Privacy or Other Confidential Issues (Gov. Code Section 54957)

B. Conference with Real Property Negotiators (Gov. Code Section 54956.8)

IV. Reconvene to Open Session and Report of Action from Closed Session, If Any 7:05 PM

V. Public Comment

No public comment

VI. Board and Staff Reports

A. Update on OCEAA Bond Refinance – John Phan, Campanile Group

VII. Board Resolution to Approve Issuance of Bonds through the California School Finance Authority to (1) finance or refinance the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities known as Orange County Educational Arts Academy, located at 825 N. Broadway, Santa Ana, California 92701, designed to serve approximately 600 students in grades TK through 8; (2) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt service reserve fund with respect to the Series 2023 Bonds; and (5) fund related working capital.

Action: Approve board resolutions as amended for OCEAA and OCEAA Facilities LLC	Motion: JR Second: CA
	Vote: 4 for 0 against 1 abstain

VIII. Reimbursement Resolution declaring OCEAA’s intent to reimburse itself for capital expenditures from the proceeds of a future bond transaction related to its facility at 825 N. Broadway, Santa Ana, California 92701, and other matters related thereto.

Action: Approve resolution as written	Motion: CA Second: BS
	Vote: 4 for 0 against 1 abstain

IX. Board and Staff Reports

A. Staff Reports

1. Executive Director – Mike Limon

2. School Director – Pedro Llorente

B. Operations Report – Scott Warner, CSMC

X. Amend Agenda to Add Accepting Resignation of Boris Molina and Valerie Sullivan With Regrets as an Action Item.

Action: Move to amend agenda	Motion: BS Second: BM
	Vote: 5 for 0 against

XI. Resignation of Boris Molina and Valerie Sullivan With Regrets as an Action Item.

Action: Move to accept resignations with regrets	Motion: JR Second: CA
	Vote: 5 for 0 against

XII. Items for Consent

Action on the items below will be made in one motion unless removed from Consent by a Board member. Items removed from Consent will be considered in the original agenda order immediately following action on Consent.

- A. Approval of Minutes from March 2023 Board Meeting
- B. Ratification of February 2023 Check Register

Action: Approve Consent Items Listed Above	Motion: CA Second: SO
	Vote: 4 for 0 against

XIII. Items for Future Meetings

The next regularly scheduled meeting is on May 10, 2023.

XIV. Adjournment

The meeting was adjourned at 8:14 PM.



April 12, 2023 Executive Director Board Report

Current Enrollment:

- Currently at 605 enrolled (decrease by one)

23/24 Prospective Family Overview Sessions:

- **New:** One more info secession added for Friday, April 15th

OCEAA Intent to Return for Students

- Sent prior to the Spring Break
- Of 605: 423 submitted and 182 pending responses - 60% Response rate
 - 14 No's and 2 undecided
- Deadline is April 13, 2023 - to secure spot for their child(ren) in 2023-2024 AY



Enrollment, Waitlist and Planning Ahead

- Finished the E-Rate application for 2023-2024 IT project needs
- Teacher 2 year contracts rolled out to those whom indicated they will return and recruiting for vacancies

	2018-19	2019-20	2020-21	2021-22	2022-23
Teacher Retention	94%	88%	63%	76%	75%

-
- Commencement of employee health benefits renewal planing 2/23/22: **7%-15% depending on the benefit.**
- Property & Liability Insurance Renewal: **We are looking at a projected 20% increase (\$35-49k), 9% last year**
- Audit: **New firm, Christy White will be engaged at \$24,500, Eide Bailly went from \$15k to \$35k (133%)**
- OCEAA's 2022 990's Being reviewing for final changes
- Funding:
 - SB 740, not movement or updates from CSFA on our status re: our application
 - Funding relief/ support from state:
 - Enrollment relief: \$330k
 - And ADA relief: \$440k
- Update to the 2022-23 LCAP Coming
- Staff Appreciation Week- May 8th- May 12th **(FSO looking for donations)**



Raised \$27,747 (net)



**\$25,000 Total Grant
for 2022-23**



Fundraising

Update: Library Renovation Vision

Have reengaged PlainJoe for support with project management ideas.



Q&A



Presentation to



April 12, 2023



Executive Summary



- On February 27, 2023, the Board approved to proceed with the refinancing process of OCEAA's 2008 Bonds
 - OCEAA has \$8.26 million of outstanding bonds with a 7.0% interest rate
- In addition to refinancing the 2008 Bonds, OCEAA plans to:
 - Fund approximately \$1 million for improvements at 825 N. Broadway
 - Reimburse itself approximately \$200 - \$300K from projects already completed
 - Payoff \$340K RAZA loan from above reimbursements and bond fund balances
- The bonds will have a 30-year final maturity
 - Annual payments are estimated to be \$650K (OCEA is currently paying approximately \$840K on its 2008 Bonds)

Updates

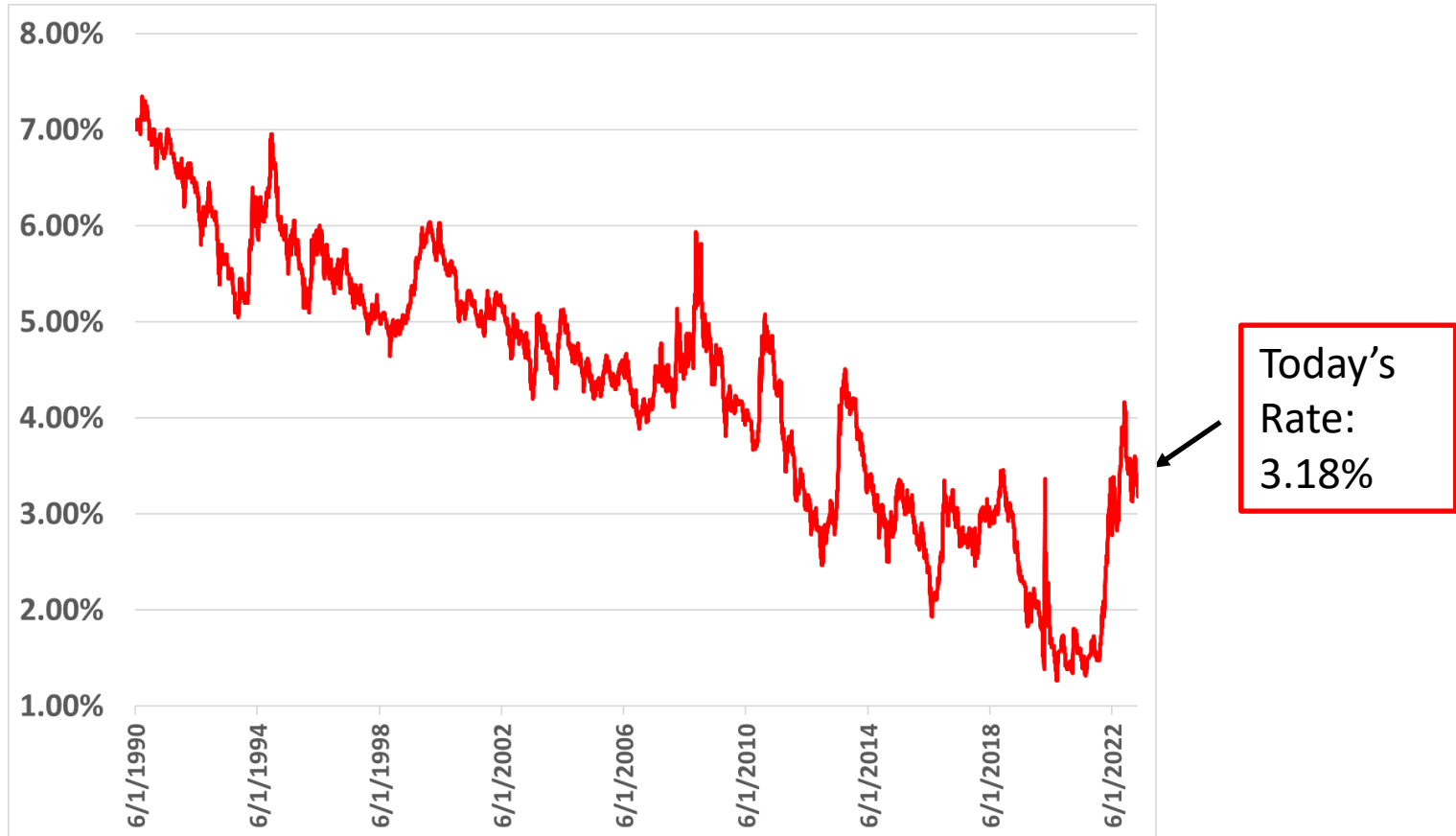


- California School Finance Authority, as the conduit governmental issuer, has:
 - Approved the financing
 - Approved a reserve fund grant worth one year of annual payments (approx. \$650K)
- Other major milestones completed:
 - Received a letter of good standing from SAUSD
 - Received clean environmental report
 - Received an appraised value of \$13.6 million
- Next steps
 - Finalize documents
 - Distribute offering statement to potential investors
 - Lock-in interest rates
 - Close

Market Update



30-Year Tax-Exempt Interest Rates*



* Municipal Market Data "AAA" tax-exempt interest rates

Estimated Payments and Sources & Uses

Assumptions

- 5.5% 30-year bonds
- CSFA reserve fund grant

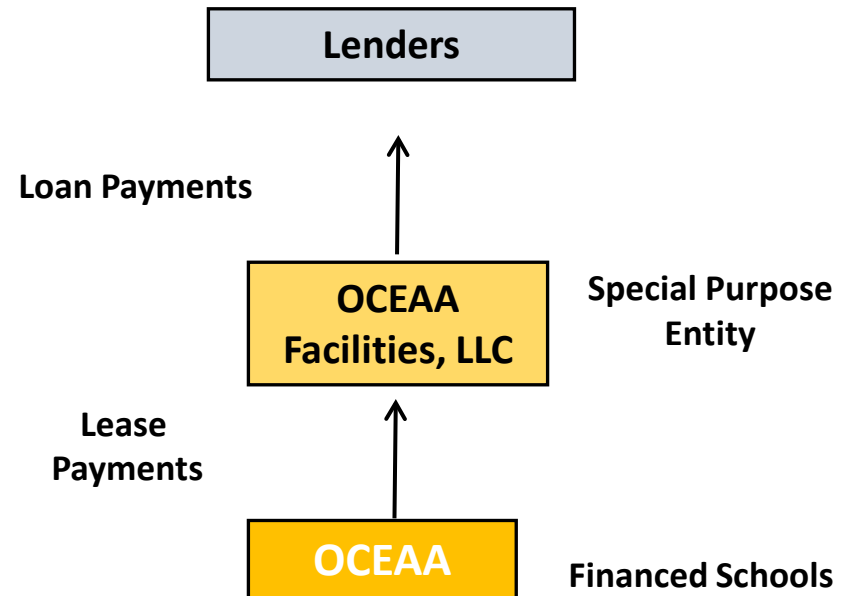
Sources of Funds	
Principal	9,200,000
Prior Reserve Fund	847,100
CSFA Reserve Fund Grant	635,825
Total	10,682,925
Uses of Funds	
Escrow Fund	8,260,000
Tenant Improvements	1,000,000
Reimbursements	300,000
Reserve Fund	635,825
Underwriting Fee	105,800
Costs of Issuance	381,300
Total	10,682,925

Period Ending	2008 Bond Debt Svc.	New Debt Svc.	Annual Savings
	A	B	C=A-B
6/30/2024	833,275	631,000	202,275
6/30/2025	834,375	634,125	200,250
6/30/2026	834,125	631,700	202,425
6/30/2027	832,525	634,000	198,525
6/30/2028	829,575	630,750	198,825
6/30/2029	830,106	632,225	197,881
6/30/2030	828,950	633,150	195,800
6/30/2031	830,400	633,525	196,875
6/30/2032	829,250	633,350	195,900
6/30/2033	826,000	632,625	193,375
6/30/2034	825,475	631,350	194,125
6/30/2035	827,325	634,525	192,800
6/30/2036	821,550	631,875	189,675
6/30/2037	822,975	633,675	189,300
6/30/2038	821,250	634,650	186,600
6/30/2039	821,200	634,800	186,400
6/30/2040	817,650	634,125	183,525
6/30/2041		632,625	(632,625)
6/30/2042		635,300	(635,300)
6/30/2043		631,875	(631,875)
6/30/2044		632,625	(632,625)
6/30/2045		632,275	(632,275)
6/30/2046		635,825	(635,825)
6/30/2047		633,000	(633,000)
6/30/2048		634,075	(634,075)
6/30/2049		633,775	(633,775)
6/30/2050		632,100	(632,100)
6/30/2051		634,050	(634,050)
6/30/2052		634,350	(634,350)
6/30/2053		633,000	(633,000)
TOTAL	14,066,006	18,996,325	(4,930,319)

Structure



- Schools that serve a student population that qualify for Free/Reduce lunch of 55% or more could receive SB 740 grant funding
- SB 740 grant funding provides up to \$1,240 per ADA or 75% of the lease payments
- School makes “lease payments” equal to the loan payments to their lenders



Primary Security Features and Financial Covenants

- **Revenue Pledge:** Gross Revenues of OCEAA
- **Real Estate:** Deed of Trust on 825 N. Broadway
- **Debt Service Reserve Fund:** One year of annual debt payments which will be funded by the CSFA grant
- **Financial Covenants:**
 - Consolidated Liquidity Covenants: 45 days cash on hand
 - Consolidated Payment Coverage Ratio: 1.10x

Next Steps

- Update Board on refinancing opportunity Completed
- Confirm/assemble financing team Completed
- Draft documents and start due diligence Completed
- Determine if purchase of leased facility is viable Completed
- CSFA Board approval of financing and grant Completed
- Seek formal Board approval to proceed with refinancing April 12
- Finalize structure, due diligence and documents By April 21
- Print offering statement and market bonds April 21
- Lock-in interest rates May 3
- Close May 17

IMPORTANT INFORMATION: PLEASE REVIEW

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, as a municipal advisor, Campanile Group, Inc (“Campanile Group”) have important duties to clients with respect to the municipal advisory services we provide. Under Municipal Securities Rulemaking Board Rules G-42(b), we are providing these disclosures to you which include a description of actual or potential conflicts of interest, and a description of how to access our SEC Form MA and the Forms MA-I for our professionals.

Representations and Conflict of Interest

MSRB Rule G-42 requires that municipal advisors provide disclosures relating to all material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. To the extent any material conflicts of interest arise after the date of this disclosure, Campanile Group will provide information with respect to such conflicts in writing. Campanile Group makes the following representations with regard to any advice provided in these materials:

A conflict may arise to the extent that any compensation to be paid to Campanile Group is based on the size of the project or financing and/or is contingent on the completion of the project or financing. While this form of compensation is customary in the market for municipal advisory services, this may present conflict of interest as we would have an incentive to recommend to our client a project or financing that is unnecessary or provides insufficient benefit or an incentive to advise our client to increase the size of the project or financing. This potential conflict is mitigated by Campanile Group’s duties to our clients.

A conflict may arise to the extent that a client of Campanile Group has been employed to provide services to a client in addition to its municipal advisory services. This has the potential to result in a conflict of interest by creating an incentive for Campanile Group to recommend to our client a course of action that would increase the client’s need for the additional services or conversely that would discourage a course of action that would decrease the client’s need for the additional services. The conflict is mitigated by Campanile Group’s duties to our clients. Moreover, if Campanile Group makes a recommendation that could influence the level of other services that we provide to the client, Campanile Group will consider alternatives to the recommendation, which will be disclosed to our client.

Information Regarding Legal Events and Disciplinary Actions

MSRB Rule G-42 requires that municipal advisors provide their clients disclosures of legal or disciplinary events material to the evaluation of the municipal advisor or the integrity of the municipal advisor’s management or advisory personnel. Campanile Group sets out required disclosures and related information below:

- A. There are no legal or disciplinary events material to a potential client’s evaluation of Campanile Group or the integrity of Campanile Group’s management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I with the Securities and Exchange Commission (the “SEC”).
- B. Campanile Group’s most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC’s EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001803185>

School Director Board Update

April 12, 2023


Presented by
Pedro Llorente

LCAP Goal 1: *OCEAA ensures student access to qualified teachers, Special Education, a broad course of study, facilities in good standing, standards-aligned instructional materials, technology and physical wellness that supports their success.*

❖ Academic Leadership Team Update:

- SLC results from survey (extra day, more parent participation on survey)
- FLEX Curriculum, around 90% teachers accepted.
- Heggerty curriculum. First PD Wednesday 12. Goals for implementation.
- MTSS calendar. Plan for Theory of Action goals. Conversations with EL Education.

❖ MTSS:

- MTSS and connections with LCAP. Plan of action.
-  Long-Term MTSS Next Steps

● Hiring:

- Job fairs, internal talent.

LCAP Goal 2: *OCEAA teachers effectively use data, student engaged assessment, and language acquisition strategies to ensure students achieve academic excellence in Spanish and English.*

❖ Assessment & Intervention Coordinator Report

➤ Interventions

- Literacy
 - 3 students have been put On Watch
 - Added 6 students
- Math
 - 3 students have been put On Watch
 - Added 1 student
-

➤ Assessments

- All teachers have given the Star assessments for Trimester 2
 - Math
 - ◆ Spanish 186/228 tested are at 50th & above Percentile
 - 1st - 88% of students tested within the testing window
 - 2nd - 93% of students tested within the testing window
 - 3rd - 99% of students tested within the testing window

- ◆ English *67/189 tested are at 50th & Above Percentile*
 - 4th - 76% of students tested within the testing window
 - 5th - 14% of students tested within the testing window
 - 6th - 93% of students tested within the testing window
 - 7th - 97% of students tested within the testing window
 - 8th - 97% of students tested within the testing window
- Reading
 - ◆ Spanish *211/424 tested are at 50th & above Percentile*
 - 1st - 61% of students tested within the testing window
 - 2nd - 83% of students tested within the testing window
 - 3rd - 99% of students tested within the testing window
 - 4th - 89% of students tested within the testing window
 - 5th - 70% of students tested within the testing window
 - 6th - 92% of students tested within the testing window
 - 7th - 89% of students tested within the testing window
 - 8th - 93% of students tested within the testing window
 - ◆ English *102/318 tested are at 50th & above Percentile*
 - 3rd - 99% of students tested within the testing window
 - 4th - 92% of students tested within the testing window
 - 5th - 92% of students tested within the testing window
 - 6th - 88% of students tested within the testing window
 - 7th - 83% of students tested within the testing window
 - 8th - 97% of students tested within the testing window
- California Science Test (CAST)
 - Only 5th & 8th grade students: April 17th - 21st
- CAASPP
 - English Language Arts administration days
 - ◆ 3rd - 5th, 7th & 8th: May 1st - 5th
 - ◆ 6th grade: May 8th - 12th
 - Math administration days
 - ◆ 6th grade: May 1st - 5th
 - ◆ 3rd - 5th, 7th & 8th: May 8th - 12th

❖ **EL Coordinator Report:**

- ❖ 2021-2022 Summative ELPAC Score Results
 - [Presented at ELAC meeting on April 13, 2023](#)
- ❖ Reclassifications
 - The next round of reclassification reviews is under way and includes Trimester 2 grades
- ❖ Summative ELPAC testing
 - Has begun in all grades and continues to make slow progress
 - We are on track to finish by the end of the school year

LCAP Goal 3: *All OCEAA students create complex, authentic work that demonstrates a high level of craftsmanship.*

❖ **Dual Language Immersion Curriculum & Instruction Coordinator Update:**

- DLI Coordinator continues to have weekly/monthly meetings with each grade-level team as necessary to plan Case Studies and/or Standards-Based Year Plans


LCAP Goal 4: *All OCEAA students develop strong character and crew spirit to become effective learners, ethical people and culturally competent leaders who contribute to a better world.*

❖ **School Culture and Character Coordinator update:**

- Crew and Panorama Update - scheduling the last Panorama survey (mid-May)
- Crew Program offerings
 - Crew Lab is well underway
 - ◆ Lessons curated by Jocelyn Vargas and Ivan Luna based on small group needs
- Restorative Circles - 14
- Behavior SST - 11 SST's
 - 3 exited
 - 8 in progress
- Teacher Support for Behavior Concerns: 6 teachers
- Training Opportunities
 - Looking into Crew beyond the classroom for support staff (possible ToA for next year)
- Panorama Survey - pending
- Habits of Character Recognitions: scheduled for May 26th
- Student Leadership Team
 - Planning the first Middle School dance
 - Fundraiser to raise funds for dance - Loteria Night (4/21)
 - Dance scheduled for 5/12/23
- Crew scope and sequence well under way
 - TK has shifted to mainly HoC focus
 - K - 5th shifted to self-efficacy with HoC and social justice foundation
 - 6 - 8: JV creating Crew lessons to be taught weekly with focus on SEL
- Working on:
 - Steps to a Better World in the front office
 - HoC posters to support with overall Crew culture around the school, Crew committee has started the poster language work
 - Better World Day and Crew scope and sequence work
 - [Better World Day proposal](#)

LCAP Goal 5: OCEAA staff engage families in the life of the school, developing strong partnerships that support the well being of students and prepare them for entering a college preparatory high school program.

❖ **School Culture and Character Coordinator update:**

- School Calendar Committee
 -  2023-24 Family Calender.pdf

❖ **EL Coordinator Report:**

- [ELAC Meeting on April 13, 2023](#)
 - Will feature:
 - 2021-2022 Summative ELPAC Score Results
 - LCAP Community Partner Engagement, Mike Limón
 - The Art of Education FLEX Curriculum, Monica Bennett Gee
 - Announcement of ELAC Officers for 2023-2025, Current ELAC Officers
- Next ELAC Meeting (last ELAC meeting of the year) is on May 2, 2023

❖ **Counseling Corner**

- 8th grade one-on-one meetings to discuss next steps for high school
- 8th grade students visits to high schools
- 8th grade classroom presentation on high school and college requirements
- Social emotional groups ongoing. Students are chosen based on panorama survey information.

❖ **Events**

- Field trips: 64 field trips requested thus far vs 40 total for last year.
- Events: 111 events requested thus far vs 54 total for last year.
- Fundraisers: 12 fundraisers requested vs 19 total for last year.
- Jog-a-thon Fundraiser: \$27,822
- AAA donated an extra \$10,000

Attendance



Financials through Feb 28, 2023

Monthly Financial Board Report

Prepared for: Orange County Educational Arts Academy

Prepared by School's CSMC SBM - Scott Warner



Financial Summary

Actual to Budget:

This report is as of Feb 28, 2023, compared against our board-approved budget on input date, based on input enrollment count students enrolled and input enrollment ADA ADA.

YTD Revenues Through **Feb 28, 2023**, are **\$5,245,451** or **-4% under** our current budget primarily due to timing of the SB740.

YTD Expenses Through **Feb 28, 2023**, are **\$6,798,932** or **.8% under** our current budget.

Therefore, net income is **(\$1,553,481)** or **11.4% under** our current budget.

Balance Sheet:

As of Feb 28, 2023, we had total cash of \$2,299,240, short-term liabilities of \$1,983,624, and long-term liabilities of \$11,940,389. The ending fund balance is \$304,193.

Understanding the Financial Health of the Organization

The chart below explains some of the parameters that the school's leadership can evaluate to understand their financial health, and potential areas of weakness.

Cash Ratio

Ability to meet short-term obligations with cash



Current:	Target:
115.9 %	> 100.0 %

Formula:
(Cash) / (Current Liabilities)

Defensive Interval

Months of continued operation without incoming funds



Current:	Target:
3.5	> 3 months

Formula:
(Cash + Securities + AR)/(Average Expenses for Past 12 Months)

Current Ratio (Liquidity)

Ability to pay short-term obligations



Current:	Target:
1.6	> 1.0

Formula:
(Current Assets) / (Current Liabilities)

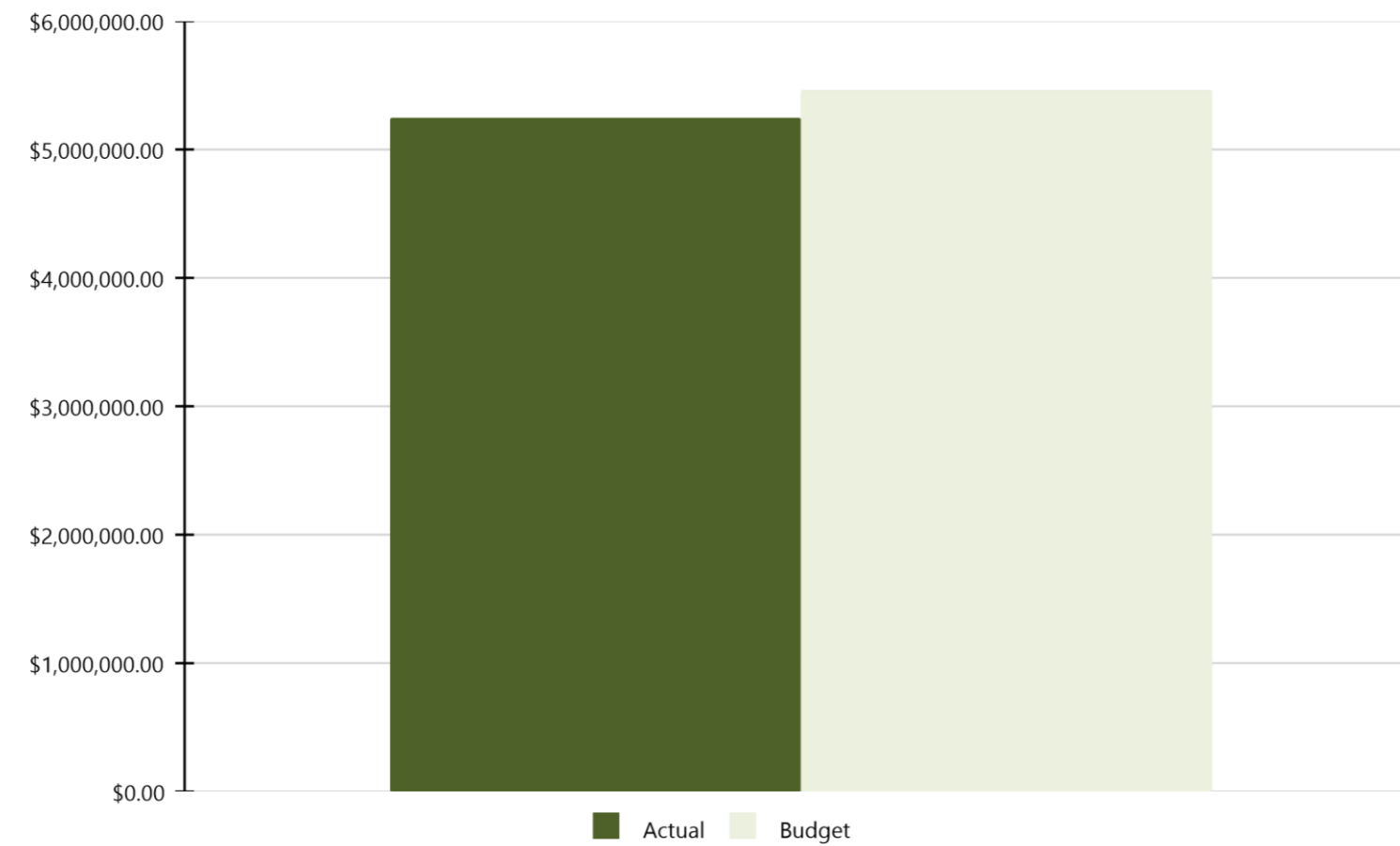
Orange County Educational Arts Academy Financial Snapshot

FY 2022-2023, July - February



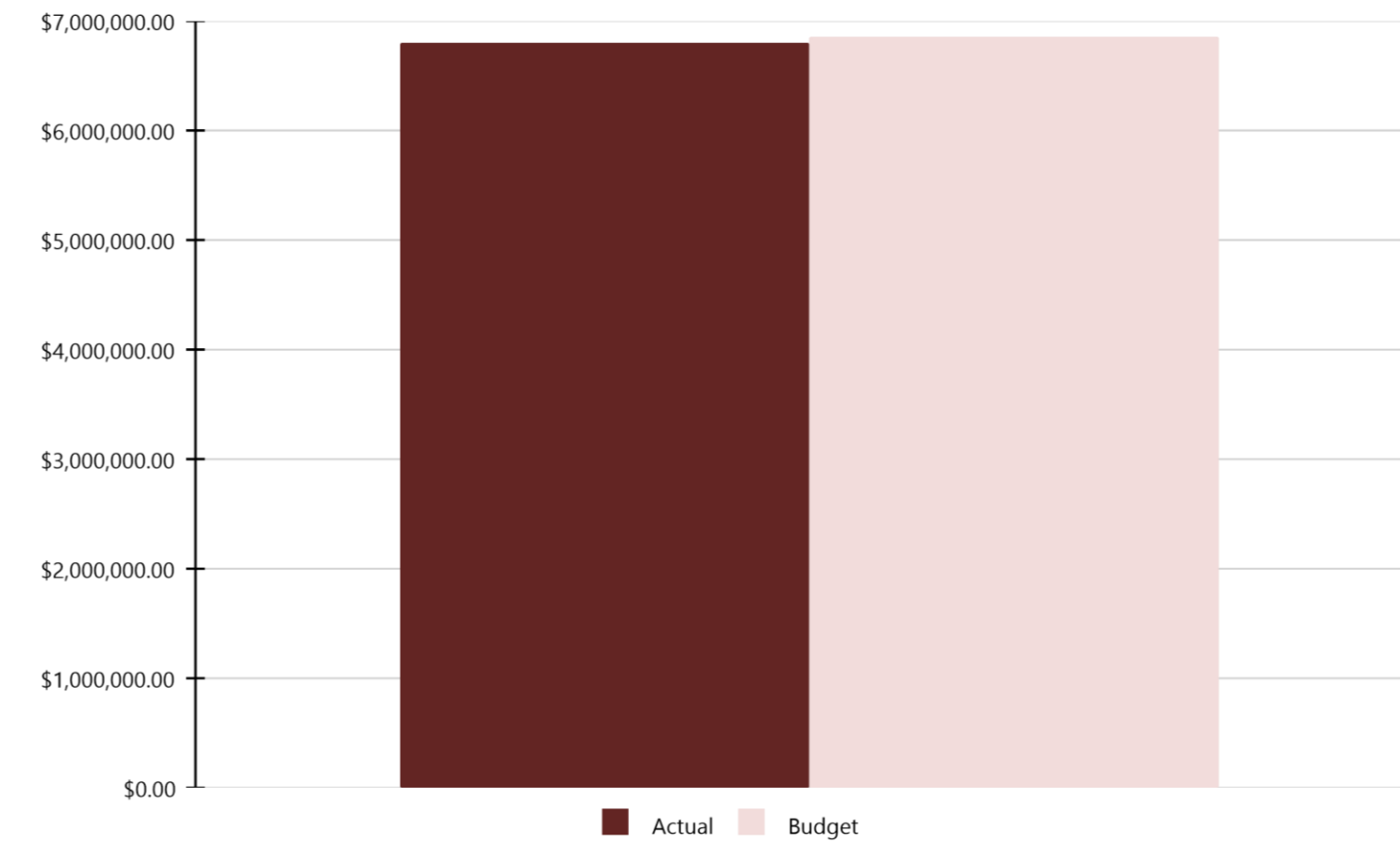
Cash Balance
\$2,299,240

Revenue to Date



Revenue Summary	
Actual	\$5,245,451
Budget	\$5,461,247
Actual to Budget	-4.0 %

Expense to Date



Expense Summary	
Actual	\$6,798,932
Budget	\$6,855,745
Actual to Budget	-0.8 %

Actual to Budget Summary

FY 2022-2023, July - February

Account Description	July - Last Closed			Total Budget	2022-2023	
	Actual	Budget	Variance \$		Actual to Total Budget %	Remaining Budget
LCFF	\$3,878,678	\$3,856,807	\$21,871	\$6,793,859	57.1 %	\$2,915,181
Federal Revenue	\$360,198	\$406,126	(\$45,928)	\$1,044,634	34.5 %	\$684,435
Other State Revenue	\$456,690	\$614,237	(\$157,546)	\$1,763,456	25.9 %	\$1,306,766
Local Revenue	\$549,884	\$584,077	(\$34,193)	\$862,448	63.8 %	\$312,564
Total Revenue	\$5,245,451	\$5,461,247	(\$215,796)	\$10,464,397	50.1 %	\$5,218,946
Certificated Salaries	\$1,900,600	\$1,950,054	\$49,454	\$2,969,558	64.0 %	\$1,068,958
Classified Salaries	\$1,178,170	\$1,208,304	\$30,134	\$1,884,235	62.5 %	\$706,065
Employee Benefits	\$1,103,904	\$1,087,701	(\$16,203)	\$1,720,852	64.1 %	\$616,948
Total Personnel Expenses	\$4,182,673	\$4,246,058	\$63,385	\$6,574,645	63.6 %	\$2,391,972
Books and Supplies	\$539,415	\$565,707	\$26,292	\$733,409	73.5 %	\$193,994
Services & Other Operating Expenses	\$1,961,583	\$1,922,703	(\$38,880)	\$2,857,025	68.7 %	\$895,442
Capital Outlay	\$96,002	\$96,002	-	\$198,141	48.5 %	\$102,139
Other Outgo	\$19,259	\$25,274	\$6,015	\$41,935	45.9 %	\$22,677
Total Operational Expenses	\$2,616,259	\$2,609,686	(\$6,572)	\$3,830,510	68.3 %	\$1,214,252
Total Expenses	\$6,798,932	\$6,855,745	\$56,813	\$10,405,155	65.3 %	\$3,606,224
Net Income	(\$1,553,481)	(\$1,394,498)	(\$158,983)	\$59,242	-2,622.3 %	\$1,612,722

Revenue
\$5,245,451

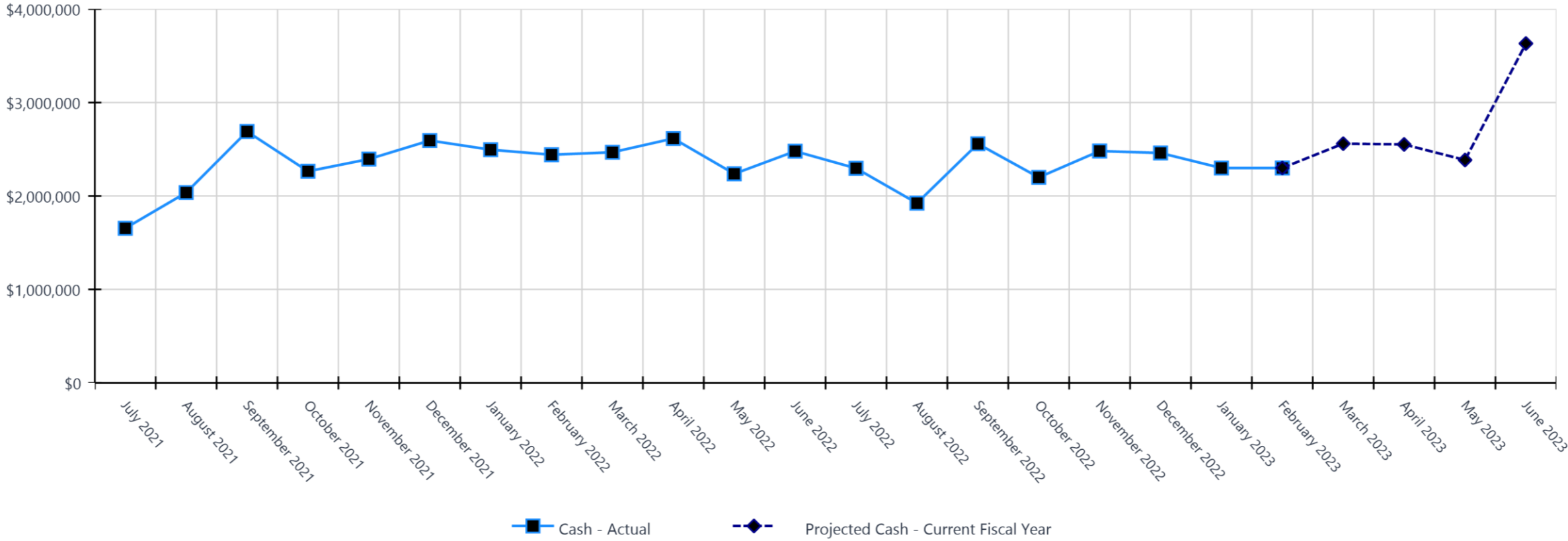
Expenses
\$6,798,932

Surplus / (Deficit)
(\$1,553,481)

This report displays all actual and budgeted revenue and expenditures by object code series and by month. This report can be useful in ensuring you receive your revenue in a timely manner and that you stay within the board approved expenditure levels.

Monthly Cash Balance Over Time

Current fiscal year and prior year



	Cash Amount	Actual or Projected
July 2021	\$1,653,878.64	Actual
August 2021	\$2,035,565.73	Actual
September 2021	\$2,689,274.11	Actual
October 2021	\$2,263,722.05	Actual
November 2021	\$2,393,913.66	Actual
December 2021	\$2,593,130.08	Actual
January 2022	\$2,494,604.47	Actual
February 2022	\$2,440,874.05	Actual
March 2022	\$2,467,296.68	Actual
April 2022	\$2,614,759.48	Actual
May 2022	\$2,236,468.98	Actual
June 2022	\$2,478,470.80	Actual

	Cash Amount	Actual or Projected
July 2022	\$2,295,551.56	Actual
August 2022	\$1,922,918.11	Actual
September 2022	\$2,557,782.24	Actual
October 2022	\$2,198,569.21	Actual
November 2022	\$2,480,310.93	Actual
December 2022	\$2,459,445.28	Actual
January 2023	\$2,298,377.74	Actual
February 2023	\$2,299,239.81	Actual
March 2023	\$2,559,474.00	Projected
April 2023	\$2,551,074.00	Projected
May 2023	\$2,384,154.00	Projected
June 2023	\$3,631,016.00	Projected

Balance Sheet Summary FY 2022-2023 - February

The balance sheet displays all of the school's assets and the school's obligations ('liabilities') at a particular point in time. It is a useful way to ensure the school has enough money to pay off its debts.

Liquidity Ratio

1.6

Assets	
Current Assets	
Cash	\$2,299,240
Accounts Receivables	\$809,642
Prepaid Expenses	\$40,233
Total Current Assets	\$3,149,115
Fixed Assets	
Buildings and Improvements	\$2,048,591
Computer Equipment	\$197,965
Furniture and Fixtures	\$89,579
Construction in Progress	\$10,000
Right of Use Assets	\$10,280,240
Accumulated Depreciation	(\$1,751,438)
Total Fixed Assets	\$10,874,935
Other Assets	
Security Deposits	\$204,156
Total Other Assets	\$204,156
Total Assets	\$14,228,205

Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$192,227
Accrued Salaries, Payroll Taxes, Postemployment Benefits	\$38,971
Deferred Revenue	\$1,752,426
Total Current Liabilities	\$1,983,624
Long Term Liabilities	
Loans Payable	\$1,665,484
Capital Leases Payable	\$10,274,905
Total Long Term Liabilities	\$11,940,389
Total Liabilities	\$13,924,012
Net Assets	
Restricted Net Assets	\$45,206
Unrestricted Net Assets	\$1,812,468
Increase/Decrease in Net Assets YTD	(\$1,553,481)
Total Net Assets	\$304,193
Total Liabilities and Net Assets	\$14,228,205

CSMC Charter School Support Team



Executive VP of Client Services
Tom Nichols
tnichols@csmci.com



Regional SBM Director
Scott Warner
swarner@csmci.com



School Business Manager
Scott Warner
swarner@csmci.com



Account Manager
Kayla Tocco
ktocco@csmci.com



Associate AM
Evelyn Jardimiano
ejardiniano@csmci.com

Looking Ahead

4/15/2023	CARES, ESSER, ESSER II, ESSER III, ELOG, ARP expenditure report
4/18/2023	Varies: Special education federal and level 3 reports; timing and steps vary by SELPA
4/19/2023	CSMC Regional Office Hours
4/21/2023	Varies: Special education MOE pre-test; timing and steps vary by SELPA
4/30/2023	Federal Cash Management Data Collection (CMDC)
	ASES attendance and expenditure reports
5/1/2023	May Board Meeting: Recommended public hearing for preliminary budget and LCAP
	Varies: Special education low incidence reimbursement; timing and steps vary by SELPA
	2022–23 P-2 Attendance Data
5/3/2023	CSMC Webinar
5/8/2023	CALPADS EOY Submission Opens
5/15/2023	Form 990 Return of Exempt Organization
5/20/2023	Annual report for federal pandemic relief funds
	Charter school information survey due to CDE
5/31/2023	CSMC Webinar
	Winter Consolidated Application / CARS report possibly due
	Submit 2023-2024 Calendar to Student Data Services
6/1/2023	June Board Meeting: Approval of LCAP and Budget, due 6/30
6/2/2023	SB740 application due

Looking Ahead

6/7/2023	CSMC Regional Office Hours
6/25/2023	P-2 Attendance Report, state deadline
7/9/2023	Date to be determined: CSMC Workshop: Charter Renewal
7/11/2023	Date to be determined: CSMC Workshop: Charter Renewal



HELPING THE EDUCATION MOVEMENT SUCCEED ONE SCHOOL AT A TIME

POWERED BY:



Charter Vision

info@csmci.com
Office: 888.994.CSMC
43460 Ridge Park Dr., Ste. 100
Temecula, Ca 92590

ORANGE COUNTY EDUCATIONAL ARTS ACADEMY

RESOLUTIONS OF THE BOARD OF DIRECTORS

(2023 Bond Refinancing)

The Board of Directors (the “**Board**”) of Orange County Educational Arts Academy, 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 California public charter schools; 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 Orange County Educational Arts Academy (the “**School**”) as a charter school 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, OCEAA Facilities, LLC (“**Borrower**”), a California limited liability company whose sole member is the Corporation, will be the Borrower in this transaction;

WHEREAS, the California School Finance Authority (the “**Authority**”) proposes to issue its California School Finance Authority Charter School Revenue Bonds (Orange County Educational Arts Academy Project), Series 2023A (the “**Series 2023A Bonds**”) and its Charter School Revenue Bonds (Orange County Educational Arts Academy Project), Series 2023B (Taxable) (the “**Series 2023B Bonds**”) and together with the Series 2023A Bonds, the “**Series 2023 Bonds**”) in a maximum aggregate amount not to exceed fifteen million dollars (\$15,000,000) pursuant to an Indenture, dated as of May 1, 2023 (the “**Indenture**”) by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”);

WHEREAS, the Authority proposes to make a loan (the “**Loan**”) of the proceeds of the Series 2023 Bonds to Borrower, pursuant to the terms of the Indenture and a Loan Agreement dated as of May 1, 2023, 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, (1) finance or refinance the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities known as Orange County Educational Arts Academy, located at 825 N. Broadway, Santa Ana, California 92701, designed to serve approximately 600 students in grades TK through 8 (the “**Facility**” or “**Facilities**”); (2) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt

service reserve fund with respect to the Series 2023 Bonds; and (5) fund related working capital (collectively, the “**Series 2023 Project**”);

WHEREAS, Ziegler Investment Bank (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 2023 Bond transaction;

WHEREAS, the Board of the Corporation has determined that it is in the best interest of the Corporation and the Borrower to have the Authority issue the Series 2023 Bonds to finance the Series 2023 Project and for the Borrower to lease the Series 2023 Facilities to the Corporation pursuant to one or more Leases anticipated to be dated as of May 1, 2023 (collectively, the “**Leases**”), by and between the Borrower, as lessor, and Corporation, as lessee, each in substantially the form presented to the Board of Directors;

WHEREAS, the Corporation proposes to secure or support the obligations of the Corporation under the Lease and the obligations of the Borrower with respect to the Series 2023 Bonds by, among other things, (a) a pledge and assignment of the revenues and amounts described in the 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 May 1, 2023 in substantially the form presented to the Board of Directors (the “**Deeds of Trust**”) from the Borrower, and (c) an intercept of portions of the School’s 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 2023 Bonds;

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

WHEREAS, the Board desires that the Corporation 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 Borrower 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 2023A 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 April 12, 2023, 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 Michael Límon, Executive Director (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	Year Joined
Scott Overpeck	Chair	2014
Valerie Sullivan	Vice Chair	2013
Ben Stanphil	Secretary	2017
Boris Molina	Member	2011
Dr. Alfonso Bustamante	Member	2007
Carmen Aparicio	CFO	2020
Jessica Reyes	Member	2020

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 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, 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 2023 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 School, 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 the Lease Agreements, if eligible to do so, and Borrower also is authorized to accept funds under the Credit Enhancement Grant program and execute all necessary documents to do so;

RESOLVED FURTHER, the Corporation approves and adopts the Post-Issuance Compliance and Remedial Action Procedures attached hereto as Exhibit A, and hereby designates the Executive Director of the Corporation as the Responsible Person in connection with ensuring compliance with such Post-Issuance Compliance and Remedial Action Procedures;

RESOLVED FURTHER, that the Corporation hereby ratifies and confirms the acts of its officers, agents or employees 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 or the Borrower, 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 April 12, 2023, 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 April, 2023.

Ben Stanphil, Secretary

Schedule 1
Transaction Documents

1. Bond Purchase Agreement.
2. Indenture.
3. Loan Agreement.
4. Leases.
5. Deed of Trust.
6. Tax Regulatory Agreement.
7. Subordination, Nondisturbance and Attornment Agreement.
8. Continuing Disclosure Agreement.
9. Preliminary Limited Offering Memorandum.
10. Limited Offering Memorandum.
11. Program Agreement.

**RESOLUTIONS OF THE SOLE MEMBER OF
OCEAA FACILITIES, LLC
a California limited liability company**

(2023 Bond Refinancing)

The Board of Directors (the “**Board**”) of Orange County Educational Arts Academy, a California nonprofit public benefit corporation (“**Corporation**”), in its capacity as the Sole Member/Manager of OCEAA Facilities, LLC, a California limited liability company (“**Borrower**”), does hereby adopt the following resolutions:

WHEREAS, the Corporation is organized for charitable purposes, and the specific and primary purpose of the Corporation is to manage, operate, guide, direct and promote one or more California public charter schools;

WHEREAS, the specific and primary purposes of Borrower is to hold title to property, collect income thereof, and turn over the entire amount thereof, less expenses, to an exempt organization under Section 501 of the Internal Revenue Code, and is irrevocably dedicated to furthering the exempt purposes of Corporation;

WHEREAS, the Corporation operates Orange County Educational Arts Academy (the “**School**”) as a charter school 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 California School Finance Authority (the “**Authority**”) proposes to issue its California School Finance Authority Charter School Revenue Bonds (Orange County Educational Arts Academy Project), Series 2023A (the “**Series 2023A Bonds**”) and its Charter School Revenue Bonds (Orange County Educational Arts Academy Project), Series 2023B (Taxable) (the “**Series 2023B Bonds**” and together with the Series 2023A Bonds, the “**Series 2023 Bonds**”) in a maximum aggregate amount not to exceed fifteen million dollars (\$15,000,000) pursuant to an Indenture, dated as of May 1, 2023 (the “**Indenture**”) by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”);

WHEREAS, the Authority proposes to make a loan (the “**Loan**”) of the proceeds of the Series 2023 Bonds to Borrower, pursuant to the terms of the Indenture and a Loan Agreement dated as of May 1, 2023, 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, (1) finance or refinance the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities known as Orange County Educational Arts Academy, located at 825 N. Broadway, Santa Ana, California 92701, designed to serve approximately 600 students in grades TK through 8 (the “**Facility**” or “**Facilities**”); (2) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt

service reserve fund with respect to the Series 2023 Bonds; and (5) fund related working capital (collectively, the “**Series 2023 Project**”);

WHEREAS, Ziegler Investment Bank (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 2023 Bond transaction;

WHEREAS, the Board of the Corporation in its role as sole member of the Borrower has determined that it is in the best interest of the Corporation and the Borrower to have the Authority issue the Series 2023 Bonds to finance the Series 2023 Project and for the Borrower to lease the Series 2023 Facilities to the Corporation pursuant to one or more Leases anticipated to be dated as of May 1, 2023 (collectively, the “**Leases**”), by and between the Borrower, as lessor, and Corporation, as lessee, each in substantially the form presented to the Board of Directors;

WHEREAS, the Corporation and Borrower proposes to secure or support the obligations of the Corporation under the Lease and the obligations of the Borrower with respect to the Series 2023 Bonds by, among other things, (a) a pledge and assignment of the revenues and amounts described in the 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 May 1, 2023 in substantially the form presented to the Board of Directors (the “**Deeds of Trust**”) from the Borrower, and (c) an intercept of portions of the School’s 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 2023 Bonds;

WHEREAS, the Board of the Corporation, acting in its capacity as sole member of the Borrower, has determined that it is in the best interest of the Borrower to enter into the Loan and related Continuing Disclosure Agreement;

WHEREAS, the Board finds that the terms of the foregoing transactions (collectively, the “**Transactions**”) are fair and reasonable as to, the Borrower and the Corporation, under the

circumstances, are in the best interests of the Borrower and the Corporation, and in furtherance of the charitable purposes of the Corporation and Borrower;

WHEREAS, the Board desires that the Borrower 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 Borrower 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 2023A 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 appoints the individuals listed below, and each of them individually (each, an “**Authorized Borrower Signatory**”, altogether “**Authorized Signatories**”), as authorized signatories of the Borrower for purposes of executing the Transaction Documents on behalf of the Borrower:

1. [ADD]

RESOLVED FURTHER, that any deficiencies in any prior action, appointment, election, minutes or records of the directors or officers of the Borrower 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 to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, with such amendments or modifications thereto as an Authorized Signatories may approve as necessary or advisable, and all such other escrow agreements, leases, lease amendments, lease assignments, security agreements, 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, program agreements, and other documents, agreements, or instruments, or amendments to any of the foregoing, as an 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 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 Borrower also is authorized to accept funds under the Credit Enhancement Grant program and execute all necessary documents to do so;

RESOLVED FURTHER, that the Corporation as sole member of the Borrower hereby ratifies and confirms the acts of its officers, agents or employees taken on behalf of the Borrower 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 Borrower 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 April 12, 2023, 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 April, 2023.

Ben Stanphil, Secretary

Schedule 1
Transaction Documents

1. Bond Purchase Agreement.
2. Indenture.
3. Loan Agreement.
4. Leases.
5. Deed of Trust.
6. Tax Regulatory Agreement.
7. Subordination, Nondisturbance and Attornment Agreement.
8. Continuing Disclosure Agreement.
9. Preliminary Limited Offering Memorandum.
10. Limited Offering Memorandum.
11. Program Agreement.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY EDUCATIONAL ARTS ACADEMY, DECLARING AN OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF A FUTURE BORROWING FOR CAPITAL EXPENDITURES AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

The Board of Directors of Orange County Educational Arts Academy, a California nonprofit public benefit corporation (the “Corporation”), acting on its own behalf of the Corporation and in its capacity as the sole member of OCEAA Facilities, LLC (the “LLC”), does hereby adopt and approve the following resolutions and declare them to be in full force and effect at the meeting of the Board of Directors of the Corporation on April 12, 2023.

WHEREAS, the Corporation is a nonprofit corporation, duly organized and existing under the laws of the State of California (the “State”), is the sole member of the LLC, and is duly qualified to do business in the State, and, the Corporation and the Company are authorized to undertake the acquisition, construction, rehabilitation, equipping, furnishing and financing of buildings and facilities for the purpose of fulfilling the various purposes of the Corporation and the LLC; and

WHEREAS, the Corporation has determined that it is necessary and desirable to finance the cost of design, construction, installation, renovation, improvement, equipping and furnishing of its educational facilities for Orange County Educational Arts Academy located at 817, 825 and/or 826 N. Broadway, Santa Ana, California 92701, in an amount not to exceed \$15,000,000 (the “Project”); and

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

WHEREAS, the Corporation and the LLC are exploring financing the Project with the proceeds of a tax-exempt and/or taxable borrowing;

WHEREAS, the Corporation and the LLC have expended certain funds, and reasonably expects to expend certain funds in the future, for capital expenditures related to the Project; and

WHEREAS, the Corporation and the LLC currently intend and reasonably expect to participate in a borrowing to finance the Project, including an amount of not to exceed \$500,000 for reimbursing the Corporation and the LLC for capital expenditures made by the Corporation for the Project prior to the date when funds for the Project are available from such borrowing; and

WHEREAS, other than certain preliminary expenditures for architectural, engineering and similar costs, the initial expenditure of funds of the Corporation or the LLC for the Project for which the Corporation desires reimbursement occurred on a date that is within 60 days prior to the date hereof but before such borrowing; and

WHEREAS, such borrowing by the Corporation or the LLC shall occur within 18 months of either the date that the Corporation or the LLC first expended funds for the Project or the date that the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of the Corporation's or the LLC's funds for the Project for which it will seek reimbursement); and

WHEREAS, the Board hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to reimburse the Corporation or the LLC for the expenditure of their respective funds for the Project from the proceeds of a future borrowing of the Corporation or the LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PASO ROBLES CHARTER SCHOOL PROJECT, INCORPORATED:

Section 1. Dates of Capital Expenditures. All of the capital expenditures covered by this Resolution were or will be made not earlier than 60 days prior to the date of this Resolution.

Section 2. Declaration of Official Intent. The Corporation and the LLC presently intend and reasonably expect to participate in a borrowing within 18 months of either the date of the first expenditure of funds by the Corporation or the LLC for the Project or the date that the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of the Corporation's or the LLC's funds for the Project for which the Corporation or the LLC will seek reimbursement), and to allocate an amount not to exceed \$500,000 of the proceeds thereof to reimburse the Corporation or the LLC for its respective expenditures in connection with the Project.

Section 3. Resolution Number. This is the first resolution of the Corporation and the LLC declaring their intent to reimburse themselves for the Project from proceeds of a borrowing.

Section 4. Confirmation of Prior Acts. All prior actions of the officials, employees and agents of the Corporation or the LLC that are in conformity with the purpose and intent of this Resolution and in furtherance of the Project 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 Orange County Educational Arts Academy, 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 meeting thereof on April 12, 2023.

Secretary of the Board of Directors