



INSPIRE CHARTER SCHOOLS

3840 Rosin Court #200, Sacramento, California 95834

Phone (916) 568-9959 * Fax (916) 664-3995

**Special Board Meeting
Inspire Charter Schools – Winship - Central
February 1, 2019 – 5:30 p.m. - 6:00 p.m.
3840 Rosin Court #100
Sacramento, CA 95834**

Through Teleconference

**Shonna Franzella
4177 Brisbane Circle
El Dorado Hills, CA 95762**

**Wes Carpenter
1215 Sage Heights
Cool, CA 95614**

**Julisa Platte
5030 Elgin Woods Court
Antelope, CA 95843**

AGENDA

1. Call to Order
2. Public Comment
3. Approval of Board Resolution – Charter School Revolving Loan Fund for Inspire Charter School – Central.
4. Adoption of resolutions approving loans to be made to the Corporation by the California School Finance Authority from the proceeds of the issuance of taxable bonds, approving the execution and performance of documents and agreements related thereto, and ratifying the election of officers of the Corporation.
5. Adjournment

Public comment rules: Members of the public may address the Board on agenda or non-agenda items. Please fill out a yellow card available at the entrance. Speakers may be called in the order that requests are received, or grouped by subject area. We ask that comments are limited to 2 minutes each, with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to district staff or calendar the issue for future discussion.

Note: Inspire Charter Schools Governing Board encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Governing Board Office at 818-207-3837 at least 48 hours before the scheduled board meeting so that we may make every reasonable effort to accommodate you. (Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. § 12132)).

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-35**

Inspire Charter Schools ON BEHALF OF
Inspire Charter Schools - Central
CDS: 10-62547-0135103
Charter Number: 1841
Address: 1781 East Fir Avenue #101, Fresno, CA 93720

This loan agreement is made the Eleventh day of December 2018, between Inspire Charter Schools on behalf of Inspire Charter Schools - Central (Loan Recipient) and the California School Finance Authority (Authority).

RECITALS

- A. The Loan Recipient has applied to the Authority for a reservation of funds under the Charter School Revolving Loan Fund Program (Program) and the Loan Recipient's application, which is attached hereto as Exhibit A, has been determined by the Authority to meet Program eligibility requirements,
- B. The Loan Recipient has applied for and been approved by the Authority pursuant to Authority Resolution 18-31 for the issuance of a loan to support the operations of the Charter School consistent with the terms of the Charter School's charter.
- C. The Authority proposes to reserve \$250,000 from the Charter School Revolving Loan Fund for the purposes described herein.
- D. The term of this Loan Agreement shall be from the date of this Loan Agreement, hereinabove, through the term of the loan, unless at the Authority's discretion the time period is amended in writing. In no circumstance may the term of this Loan Agreement exceed the period of five years.
- E. This award to the Loan Recipient is contingent upon the availability of funds under the Program.
- F. The purpose of this Loan Agreement is to set forth the terms and conditions upon which the Authority will provide the funds to the Loan Recipient.

NOW, THEREFORE, the Authority and the Loan Recipient agree as follows:

ARTICLE I – DEFINITIONS

Section 1.1– ELIGIBLE USE means the use of Program funds for the purposes of supporting the operations or financing of the Charter School consistent with the Charter School's charter.

Section 1.2 – EXECUTIVE DIRECTOR means the Executive Director authorized to act on behalf of the Authority.

Section 1.3 – PROGRAM means the Charter School Revolving Loan Fund Program.

Section 1.4 – PROGRAM DOCUMENTS means this Loan Agreement, Program Regulations, Loan Recipient's Application, and Authority Resolution 18-31, including any and all exhibits or attachments to such documents.

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Section 1.5 – LOAN TERM means the Two year period commencing from the first payment date, unless the loan amount has been paid in full or at the Authority’s discretion the time period is amended.

Section 1.6 – LOAN RECIPIENT means Inspire Charter Schools - Central, CDS: 10-62547-0135103, 1781 East Fir Avenue #101, Fresno, CA 93720.

Section 1.7 – REGULATIONS OR PROGRAM REGULATIONS means the California Code of Regulations, Title 4, Division 15, Article 1.6 (commencing with section 10170.24), as may be amended from time to time.

Section 1.8 – AUTHORITY means the California School Finance Authority.

Section 1.9 – APPLICANT OR CHARTER SCHOOL means Chartering Authority or Charter School.

Section 1.10 – FUND means the Charter School Revolving Loan Fund established pursuant to Education Code section 41365(a).

ARTICLE II – DELEGATION OF AUTHORITY

Section 2.1 – Pursuant to Authority Resolution 18-31, the Executive Director is authorized to take actions for, and on behalf, and in the name of the Authority, including, but not limited to:

- (a) Taking all steps necessary with respect to the Loan Recipient including notifying the Loan Recipient whether its Application has been approved for funding, preparing and executing the final form of Loan Agreement and disbursing Program funds pursuant to the Loan Agreement and the Authority’s Regulations;
- (b) Drawing money from the Fund, not to exceed the amount approved by the Authority for the Loan Recipient.
- (c) Executing and delivering to the Loan Recipient any and all documents necessary to complete the transfer of Program funds; and
- (d) Undertaking any and all actions and to execute and deliver any and all documents that the Executive Director deems necessary or advisable in order to effectuate the purposes of the Authority Resolution 18-31 approved by the Authority.

ARTICLE III – REPRESENTATIONS AND WARRANTIES

The Loan Recipient makes the following representations and warranties to the Authority:

Section 3.1 – LEGAL STATUS. The Loan Recipient represents and warrants that for the Charter School for which funds have been awarded:

- (a) The charter school is established pursuant to Education Code section 47600 et seq.
- (b) An approved charter has been awarded and is in place and current at the time this Loan Agreement is executed and throughout the Loan Term.
- (c) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time this Loan Agreement is executed. The Authority will rely on information from the chartering authority regarding the charter school’s good standing and compliance with the terms of its charter.

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- (d) The charter school has a County-District-School (CDS) Code and charter number issued by the California Department of Education.

ARTICLE IV – CONDITIONS PRECEDENT TO DISBURSEMENT OF PROGRAM FUNDS

The obligation of the Authority to make any disbursements under this Loan Agreement is subject to all of the following conditions:

Section 4.1 – EVENT OF DEFAULT. There shall not exist an Event of Default, as defined in this Loan Agreement, and there shall exist no event, omission or failure of condition, which, after notice of lapse of time, would constitute an Event of Default, as defined in this Loan Agreement.

Section 4.2 – DOCUMENTATION. The Loan Recipient shall deliver to the Authority in form and substance satisfactory to the Authority this Loan Agreement and any other documents required by the Authority.

Section 4.3 – CERTIFIED RESOLUTION. This Loan Agreement and any amendments hereto shall be accompanied by a certified resolution from the Loan Recipient's governing body authorizing its execution.

Section 4.4 – FUNDING CONDITIONS. The Loan Recipient has met all terms and conditions of funding in accordance with the Regulations and the Authority's Resolution Number 18-31.

Section 4.5 – FINANCING APPROVAL. The Loan Recipient has received approval from the Authority for the issuance of Program funds; provided that such approval includes the requirement for repayment through an intercept of funds pursuant to Education Code section 17199.4.

Section 4.6 – TERMS OF COMMITMENT. In the event the Loan Recipient has not fulfilled all terms and conditions precedent as set forth in this Article IV, the Authority's obligation under this Loan Agreement shall automatically terminate, unless at the Authority's discretion, compliance by the Loan Recipient has been waived by the Authority in writing.

ARTICLE V – PROGRAM DISBURSEMENT PROCEDURES

Section 5.1 – DISBURSEMENT PROCEDURES. Disbursement of the Program funds shall occur once the Authority makes the loan award determination; provided however that no Program funds shall be disbursed until this Loan Agreement is executed by all parties.

Section 5.2 – DISBURSEMENT PROCESS. Program funds shall be disbursed directly to the Loan Recipient.

Section 5.3 – AMOUNT OF DISBURSEMENT. Program funds shall be disbursed up to the amount authorized pursuant to this Loan Agreement.

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ARTICLE VI – REPAYMENT PROVISIONS

Section 6.1 – LOAN REPAYMENT. Loan repayment shall begin the fiscal year after the Loan Recipient receives Program funds. Loan Recipient shall be obligated to repay the Program in Two years, with each annual payment representing the initial principal amount of the loan, plus interest based on the rate described in section 6.2. For purposes of determining the year in which the Loan Recipient begins repayment, the Authority shall consider receipt of Program funds to occur on the date that the Accounting Division of the State Treasurer’s Office processes the payment for the Loan Recipient. The repayment schedule, once completed by the Authority, will be submitted to the Loan Recipient and attached as EXHIBIT B. If a Charter School fails to open within the next fiscal year after receiving their loan disbursement, the Charter School will be invoiced for the full loan amount, which must be repaid within 60 days, unless granted an extension.

Section 6.2 – INTEREST RATE. Interest on the loan shall be based on an interest rate equal to the rate earned by money in the Pooled Money Investment Account as of the date of disbursement of the funds to the charter school, per section 6.1.

Section 6.3 – INTERCEPT OF LOAN PAYMENTS. Loan payments shall be made by intercepting the Charter School’s state revenue. Payment amounts reflected in the loan repayment schedule, or partial payments depending on the availability of revenue, shall be intercepted until the loan is paid in full. If the annual payment obligation cannot be made through the intercept process, the Authority may invoice the Loan Recipient directly for payment of any outstanding amounts.

Section 6.4 – ACCOUNTS RECEIVABLE. The Authority shall set up accounts receivable for any Charter School that is past due on loan repayment or that has defaulted on repayment of a Loan.

Section 6.5 – COLLECTION OF LOAN PAYMENTS. If loan payments are not made using the intercept process, the Authority may invoice the Charter School. In the event the Charter School is unable to repay the loan and the Charter School is operated by an affiliated organization or chartering authority, the Authority shall require the affiliated organization or chartering authority to make annual payments or repay the total outstanding loan amount.

ARTICLE VII – AFFIRMATIVE COVENANTS

Section 7.1 – LEGAL COMPLIANCE. The Loan Recipient shall:

- (a) Comply with the Program statute and regulations, as such may be amended from time to time, throughout the Program Period.
- (b) Ensure that the expenditure of all loan funds is consistent with the intent of the Program and solely for the purpose of supporting the operations and financing of the Charter School.

Continued and uninterrupted compliance with all Program requirements is the Loan Recipient’s responsibility.

Section 7.2 – ACCOUNTING RECORDS. The Loan Recipient shall maintain an accounting system that accurately reflects fiscal transactions, with necessary controls and

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safeguards. This system shall provide an audit trail, including original source documents such as teacher salaries, lease agreements, contracts, receipts, progress payments, invoices, etc. These records shall be retained for the full period of the loan. Such books and accounts shall be available for audit and/or review upon request by the Authority and the Bureau of State Audits.

Section 7.3 – LITIGATION. The Loan Recipient shall promptly notify the Authority in writing of any administrative action or litigation, pending or threatened, by or against the Loan Recipient or otherwise related to the Loan Recipient. For purposes of this item, the term “Loan Recipient” shall include the charter school, the parent company of the charter school, and any subsidiary of the charter school if the subsidiary is involved in or will be benefited by the Program. In addition to each of these entities themselves, the term “Loan Recipient” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Section 7.4 – NOTICE TO AUTHORITY. The Loan Recipient shall:

- (a) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination to deferr opening until the next fiscal year OR close operation altogether and provide clarification to the Authority on how the the loan balance will be repaid.
- (b) Notify the Authority if a charter school’s charter is not renewed or is revoked at any time during the Loan Term, within thirty (30) days of receipt of notification of such action, including providing the Authority with a copy of the document provided by the chartering entity notifying the charter school of such action and provide clarification to the Authority on how the the remaining loan balance will be repaid.
- (c) Notify the Authority, within thirty (30) days, of any material changes to the facilities, enrollment, charter, nonprofit status, or financial condition.
- (d) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination that all or a portion of loan funds are no longer needed for their intended use, as identified in the Application, and provide clarification to the Authority on how the remaining loan balance will be repaid .

Section 7.5 – RELEASE. The Loan Recipient hereby waives all claims and recourse against the Authority including but not limited to the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to, this Loan Agreement, the Loan Recipient’s use of the Program proceeds or the Loan Recipient’s business operations. The provisions of this section shall survive the termination of this Loan Agreement.

Section 7.6 – INDEMNIFICATION. The Loan Recipient shall defend, indemnify, and hold harmless the Authority, and the State, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program or the Authority. The provisions of this section shall survive termination of this Loan Agreement.

Section 7.7 – AUDITS. The Loan Recipient shall comply with any audit provisions as may be required bit the Authority, State Controller, or the Bureau of State Audits.

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Section 7.8 – SUBORDINATION OF NEW DEBT. The Loan Recipient will ensure that any loans, debts, or agreements involving factoring of apportionments entered into after this loan agreement is executed shall be subordinated to this Loan.

ARTICLE VIII – DEFAULT AND REMEDIES

Section 8.1 – EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Loan Agreement:

- (a) Any representation or warranty made by the Loan Recipient or anyone acting on its behalf, hereunder or under any of the Program Documents, is incorrect in any material respect.
- (b) The Loan Recipient's failure to perform or abide by any term or condition of this Loan Agreement (including all requirements and covenants in Articles III through VII herein) or other Program Documents or comply with any other agreements between the Loan Recipient and the Authority relating to the Program.
- (c) Any substantial or continuous breach by the Loan Recipient of any material obligations of the Loan Recipient imposed by any agreements other than the Program Documents with respect to the Program.
- (d) The Loan Recipient's failure to generate sufficient revenue available for intercept or to pay an invoice to meet its repayment obligations in accordance with their loan repayment schedule.
- (e) The Loan Recipient's failure to repay the loan in any instance.
- (f) The Loan Recipient's failure to remain in good standing with its chartering authority or in compliance with its charter during the term of the loan.
- (g) The Loan Recipient's failure to notify the Authority if there are any material changes to the school and/or its charter.

Section 8.2 – NOTICE OF LOAN RECIPIENT'S DEFAULT AND OPPORTUNITY TO CURE. The Authority shall give written notice to the Loan Recipient of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Event of Default; (b) the action required to cure the Event of Default, if an action to cure is possible; and (c) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible, provided, however, except with respect to a monetary Event of Default, so long as the Loan Recipient has commenced to cure within such time, then the Loan Recipient shall have a reasonable period, as determined by the Authority, thereafter within which to fully cure the Event of Default.

Section 8.3 – REMEDIES. In an Event of Default, the Authority may pursue any remedy available to it in law or in equity, including, but not limited to, forfeiture and return of all Program funds and any accrued interests.

ARTICLE IX – MISCELLANEOUS

Section 9.1 – AMENDMENTS. This Loan Agreement may only be amended, changed or modified in writing signed by the Loan Recipient and the Authority.

Section 9.2 – ASSIGNMENT. This Loan Agreement may not be assigned or transferred in any way by the Loan Recipient without the written consent of the Authority, such consent to

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be granted only if the assignee or transferee is a charter school meeting all of the requirements of this Loan Agreement and the Program Regulations, and which has agreed in writing to accept the terms of this Program Loan Agreement.

Section 9.3 – ENTIRE LOAN AGREEMENT. This Loan Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire Loan Agreement of the parties and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

Section 9.4 – NOTICES. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first-class mail, postage prepaid and addressed as follows:

- (i) If to the Loan Recipient:
Attn: Pam Bezemer, Principal
1740 Huntington Drive, #205, Duarte, CA 91010
- (ii) If to the Affiliated Organization, if applicable:
Attn: Nick Nichols, Executive Director
1740 Huntington Drive, #205, Duarte, CA 91010
- (iii) If to the Authority:
Attn: Katrina Johantgen, Executive Director
California School Finance Authority
300 S. Spring Street, Suite 8500
Los Angeles, CA 90013

Section 9.5 – COUNTERPARTS. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 9.6 – GOVERNING LAW, VENUE. This Loan Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California applicable to contracts made and performed in the State of California. This Loan Agreement shall be enforceable in the State of California and any action arising hereunder shall (unless waived in writing by the Authority) be filed and maintained in Sacramento, Sacramento County, California.

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IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in day and year first hereinabove written.

Inspire Charter Schools - Central:

By: _____
Pam Bezemer, Principal

Date: _____

Inspire Charter Schools:

By: _____
Nick Nichols, Executive Director

Date: _____

and

CALIFORNIA SCHOOL FINANCE AUTHORITY:

By: _____
Katrina Johantgen, Executive Director

Date: _____

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EXHIBIT A

APPLICATION

**CALIFORNIA SCHOOL FINANCE AUTHORITY
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EXHIBIT B

LOAN REPAYMENT SCHEDULE

Governing Board Resolution

RESOLUTION OF CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM APPLICANT'S GOVERNING BOARD TO APPROVE THE EXECUTION OF THE LOAN AGREEMENT WITH THE CALIFORNIA SCHOOL FINANCE AUTHORITY

RESOLUTION NO.C0119

WHEREAS, **Westside Elementary School District** authorized the charter for **Inspire Charter School – Central / CDS#: 10 62547 0135103** on **[insert date of approval]**; and,

WHEREAS, the charter school will need funds to **support educational efforts of students**; and,

WHEREAS, **Inspire Charter School - Central** applied for a Charter School Revolving Loan Fund Program loan from the California School Finance Authority during the 2017-18 funding round; and,

WHEREAS, Execution of the loan agreement and disbursement of loan funds is contingent on the California School Finance Authority board approving the charter school's application; and,

WHEREAS, **Inspire Charter School – Central** governing board has reviewed the loan agreement forwarded by the California School Finance Authority; and,

WHEREAS, **Inspire Charter School - Central** governing board agrees to meet all terms and conditions for the receipt of a revolving loan pursuant to Education Code sections 41365 through 41367; and,

WHEREAS, upon approval of the loan by the California School Finance Authority and execution of the loan agreement, the California School Finance Authority will request that the State Controller offset apportionment payments to the **Inspire Charter School - Central** in equal amounts for **two** successive fiscal years commencing with the first fiscal year following the fiscal year in which loan proceeds are disbursed to the charter school.

NOW, THEREFORE BE IT RESOLVED that **Inspire Charter School - Central** governing board on behalf of the **Inspire Charter School - Central** hereby approves the execution of a loan agreement with the California School Finance Authority in the amount of **\$250,000.00** as provided by the provisions of Education Code sections 41365 through 41367.

PASSED AND ADOPTED by the **Inspire Charter School - Central** governing board at a meeting held on **[insert date resolution adopted]**.

Name and Title of the Authorized Representative

Signature Date

INSPIRE CHARTER SCHOOLS – WINSHIP-CENTRAL

RESOLUTIONS OF THE BOARD OF DIRECTORS

(Revenue Notes Series 2019A)

WHEREAS, (a) Inspire Charter School – Los Angeles (“INSPL”) is a California nonprofit public benefit corporation organized for charitable purposes that operates a charter school known as Inspire Charter School, (b) Inspire Charter Schools – Winship-Central (“INSPWC” or the “Corporation”) is a California nonprofit public benefit corporation organized for charitable purposes that operates the charter schools known as Winship Community Charter School (“INSPW”) and Inspire Charter School – Central (“INSPC”), (c) Clarksville Charter School (“INSPV”) is a California nonprofit public benefit corporation organized for charitable purposes that operates a charter school known by that same name, (d) Pacific Coast Academy (“INSPLL”) is a California nonprofit public benefit corporation organized for charitable purposes that operates a charter school known by that same name that was formerly known as Learning Latitudes Charter School, and (e) Heartland Charter School (“INSPH” and, collectively with INSPL, INSPWC, INSPV, and INSPLL, the “Borrowers”) is a California nonprofit public benefit corporation organized for charitable purposes that operates a charter school known by that same name;

WHEREAS, each of INSPL, INSPC, INSPV, INSPLL, and INSPH (each, a “School” and, collectively, the “Schools”) provides educational services to students in advance of receiving payment for such services from the State of California, as a result of which the School may require working capital financing;

WHEREAS, the Borrowers propose that the Borrowers will borrow an aggregate amount not to exceed \$30,000,000 from the proceeds of the issuance of California School Finance Authority Revenue Notes (Inspire Charter Schools) Series 2019A (Taxable) (the “Notes”) by the California School Finance Authority (the “Authority”) pursuant to the terms of (a) an Indenture between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”), and (b) a Loan Agreement (the “Loan Agreement”) among the Authority and the Borrowers.

WHEREAS, the Borrowers propose to use the proceeds of the borrowing under the Loan Agreement (a) to finance working capital for the Borrowers and (b) to pay certain expenses incurred in connection with the issuance of the Notes.

WHEREAS, the Borrowers propose that the obligations of the Borrowers under the Loan Agreement will be secured by each Borrower’s pledge of all or portions of its gross revenues and supported by intercepts of portions of each School’s general purpose apportionment pursuant to Section 17199.4(a)(1) of the Education Code of the State of California (collectively, the “Intercept”);

WHEREAS, in connection with the foregoing, a Preliminary Limited Offering Memorandum (the “Preliminary Limited Offering Memorandum”), and a Limited Offering Memorandum (the “Limited Offering Memorandum”) will be prepared to furnish information

with respect to the sale and delivery of the Notes, and the Borrowers will undertake pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to provide annual reports and notices of certain events relating to the Notes;

WHEREAS, Piper Jaffray & Co. (the “Underwriter”) proposes to underwrite the Notes pursuant to a note purchase agreement (the “Note Purchase Agreement”), by and among the Underwriter, the Honorable Fiona Ma, Treasurer of the State of California, as agent for sale, the Authority, and the Borrowers;

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

WHEREAS, the Board desires that the Borrowers take all actions necessary or advisable to facilitate the Transactions;

WHEREAS, Wes Carpenter (“Carpenter”) is an officer and director of the Corporation, and he has disclosed that he may be an “interested director,” as defined in Section 5233 of the California Corporations Code (an “Interested Director”), with respect to the Transactions and may have a financial interest in the Transactions by reason of the employment of his spouse, Shannon Carpenter, by INSPV;

WHEREAS, the interest of Carpenter in the Transactions is hereby noted in the official records of the Corporation;

WHEREAS, Carpenter has not influenced or attempted to influence the Corporation or any member of the Board to approve these Resolutions or otherwise participated in the making of any contracts effecting the Transactions hereby authorized;

WHEREAS, Carpenter recused himself from any discussion of the Transactions and left the room or otherwise departed from the meeting until after the discussion and vote on these Resolutions;

WHEREAS, the Board finds that the following facts have been established:

- (A) The Corporation is entering into the Transactions for its own benefit;
- (B) The Transactions will be fair and reasonable as to the Corporation at the time the Corporation enters into the Transactions;
- (C) By these Resolutions, prior to consummating the Transactions or any part thereof, the Board will have authorized and approved the Transactions in good faith by a vote of a majority of the directors then in office without counting the vote of the Interested Director, and with knowledge of the material facts concerning the Transactions and the Interested Director’s interests in the Transactions; and

(D) The Board has considered and in good faith determined after reasonable investigation under the circumstances that the Corporation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves, confirms, and ratifies the election or appointment of the following individuals to the offices of the Corporation set forth after their names:

Shonna Franzella	Chief Executive Officer
Julisa Platte	Secretary
Wes Carpenter	Chief Financial Officer

RESOLVED FURTHER, that the Board approves the Transactions and authorizes the execution, delivery and performance by the Corporation of the documents and agreements listed on Schedule 1 attached hereto (collectively, the “Primary Transaction Documents”), and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively, the “Transaction Documents”);

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 Corporation for purposes of executing the Transaction Documents on behalf of the Corporation;

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, in such forms as may have been presented to the Board for approval or with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable, and all such other note purchase agreements, indentures, loan agreements, promissory notes, security agreements, account control agreements, tax certificates, tax and regulatory compliance agreements, offering memoranda, 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 an Authorized Signatory 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, pursuant to Section 17199.4(a)(1) of the Education Code of the State of California, the Board elects to participate in the Intercept to secure payment of the principal of and interest on the Notes in amounts not exceeding the amounts due under the Loan Agreement, and the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to provide notice (the “Intercept Notice”) to the State Controller of the State of California or other applicable state agency of the State of California of such election of the Board;

RESOLVED FURTHER, that the Corporation 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 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 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 Inspire Charter School – Winship-Central (the “Corporation”), a California nonprofit public benefit corporation, and that the foregoing is a true and correct copy of Resolutions that were duly adopted on _____, 2019, by the majority vote of the directors of the Corporation then in office (not including any vote by Wes Carpenter, who recused himself from voting) at a meeting of the board of directors of the Corporation duly held on such date in compliance with the bylaws of the Corporation, in compliance with the notice, agenda, and open meeting requirements of the Ralph M. Brown Act, and while a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation this ____ day of _____ 2019.

Julisa Platte, Secretary

Schedule 1
Transaction Documents

1. Note Purchase Agreement.
2. Indenture.
3. Loan Agreement.
4. Continuing Disclosure Agreement.
5. Tax Certificate and Agreement.
6. Intercept Notices.
7. Preliminary Limited Offering Memorandum.
8. Limited Offering Memorandum.

PACIFIC COAST ACADEMY
CERTIFICATE OF SECRETARY

(Revenue Notes Series 2019A)

February __, 2019

The undersigned Secretary of **PACIFIC COAST ACADEMY**, a California nonprofit public benefit corporation (the “Corporation”), hereby certifies the following as of the above date in connection with the issuance of California School Finance Authority Revenue Notes (Inspire Charter Schools) Series (the “Notes”) pursuant to an Indenture dated as of February 1, 2019 (the “Indenture”), by and between the California School Finance Authority (the “Issuer”) and Wilmington Trust National Association, and the related loan (the “Loan”) made or to be made to (a) Inspire Charter School – Los Angeles (“INSPL”), a California nonprofit public benefit corporation, (b) Inspire Charter Schools – Winship-Central (“INSPWC”), a California nonprofit public benefit corporation, (c) Clarksville Charter School (“INSPV”), a California nonprofit public benefit corporation, (d) Pacific Coast Academy (“INSPLL”), a California nonprofit public benefit corporation, and (e) Heartland Charter School (“INSPH” and, collectively with INSPL, INSPWC, INSPV, and INSPLL, the “Borrowers”) by the Issuer:

1. Capitalized terms used herein (including in the schedules attached hereto) and not otherwise defined herein shall have the respective meanings ascribed to them in the Indenture.
2. The undersigned is the duly elected and acting Secretary of the Corporation and, as such officer, has access to and control over the Corporation's records and is familiar with the matters certified herein.
3. The undersigned acknowledges that, in rendering a legal opinion in connection with the issuance of the Notes and the making of the Loan, Musick, Peeler & Garrett LLP (“MPG”) is entitled to rely and has, in fact, relied on the information contained herein, and that the Noteholders and other parties to the transactions contemplated by the Borrower Documents (the “Transactions”) are entitled to rely and have, in fact, relied on the information contained herein.
4. On the date hereof, the persons listed on **Schedule 1** attached hereto hold the offices or positions with the Corporation set forth after their names, and the signatures appearing at the right of their names are their genuine signatures.
5. Attached hereto as **Exhibit A** are true, correct and complete copies of the Articles of Incorporation of the Corporation, and all amendments thereto, if any, filed with the Secretary of State of the State of California, which Articles of Incorporation have not been further amended and are in full force and effect on the date hereof. No proceedings for the amendment, modification or rescission thereof are pending or contemplated and no action has been taken by the Corporation in contemplation of the liquidation or dissolution of the Corporation.
6. Attached hereto as **Exhibit B** are true, correct and complete copies of the current Bylaws of the Corporation, and all amendments thereto, if any, which Bylaws have not been further

amended and are in full force and effect on the date hereof. No proceedings for the amendment, modification or rescission thereof are pending or contemplated.

7. Attached hereto as **Exhibit C** is a true, correct and complete copy of a Certificate of Status of the Corporation issued by the Secretary of State of the State of California. To the best knowledge of the undersigned, the Corporation has, from the date of the good standing certificate, remained in good standing under the laws of such State.

8. Attached hereto as **Exhibit D** is a true, correct and complete copy of an Entity Status Letter for the Corporation issued by the California Franchise Tax Board.

9. Attached hereto as **Exhibit E** is a true, correct and complete copy of the letter from the Internal Revenue Service to the Corporation determining that the Corporation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

10. Attached hereto as **Exhibit F** is a true, correct and complete copy of Resolutions of the Board authorizing the execution, delivery and performance of all documents to be executed by the Corporation in connection with the issuance of the Notes and the making of the Loan, which Resolutions have not been repealed, revoked, rescinded or amended in any respect and remain in full force and effect as of the date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary as of the date first written above.

Cynthia Woodruff

The undersigned President of the Corporation certifies that the above signature is the genuine signature of the Secretary of the Corporation.

Karra Gordon

INTERCREDITOR AND SUBORDINATION AGREEMENT

THIS INTERCREDITOR AND SUBORDINATION AGREEMENT (“Agreement”) dated as of February [x], 2019 is entered into by and among (i) Charter School Capital, Inc. (“CSC”), (ii) Wilmington Trust, National Association, a national banking association (“Wilmington”), solely in its capacity as trustee (“Trustee”) under the Indenture (the “Indenture”) dated as of February 1, 2019, by and between the California School Finance Authority and Wilmington relating to California School Finance Authority Revenue Notes (Inspire Charter Schools) Series 2019 (Taxable) (the “Notes”) and (iii) Inspire Charter School – Los Angeles, Inspire Charter Schools – Winship-Central, Clarksville Charter School, Pacific Coast Academy formerly d/b/a Learning Latitudes Charter School, and Heartland Charter School (collectively, the “Inspire Schools” or “Debtors”).

RECITALS

A. Pursuant to one or more Receivables Purchase Agreements, including all amendments, supplements or restatements thereto (each an “RPA”), between CSC, as purchaser, and each of the Inspire Schools, each a seller, CSC has purchased various charter school receivables (“Purchased Receivables”) from each Inspire School (as described on Schedule 1 attached hereto) upon the terms and subject to the conditions set forth in each respective RPA and related terms letters, bills of sale and other documents or agreements executed or delivered in connection with the RPA (collectively, the “CSC Agreements”). As of the date of this Agreement, the aggregate amount of outstanding Purchased Receivables is [\$] and such amounts are expected to be paid in full on or about May 15, 2019.

B. By virtue of CSC’s ownership of the Purchased Receivables, CSC has a “security interest” in the Purchased Receivables as defined in Division 9 of the California Uniform Commercial Code (the “Purchased Receivables Liens”).

C. Additionally, the performance of certain obligations of each Inspire School under the applicable CSC Agreements to which the Inspire School is a party is secured by certain other assets of such Inspire School as described in the applicable CSC Agreements and each financing statement covering such collateral, including but not limited to accounts, general intangibles, moneys, deposit accounts, and other funds in the possession or under the control of such Inspire (collectively, the “CSC Blanket Liens”), and together with the Purchased Receivables Liens, the “CSC Collateral”):

D. As a condition to the purchase of Purchased Receivables by CSC from the Inspire Schools, each Inspire School has instructed each obligor to direct payments owing by such obligor in respect of Purchased Receivables to either: (i) the paying agency account (“Paying Agency Account”) identified in each Paying Agency Agreement among CSC, each Inspire School, and U.S. Bank National Association, as paying agent, or (ii) if applicable, the blocked account identified in each Account Control Agreement among CSC, each Inspire School, and the depository bank named therein, with direction to such depository bank to transfer required amounts into the Paying Agency Account and/or distribute to each respective Inspire School, as directed by CSC (together, the “CSC Payment Instructions”).

E. Pursuant to the terms of the Indenture, CSFA is anticipated to issue the Notes in the original principal amount of [\$_____], the proceeds of which are anticipated to be loaned to the Inspire Schools by CSFA pursuant to the terms of a Loan Agreement (the “Loan Agreement”) dated as of February 1, 2019, by and among CSFA, as lender, and the Inspire Schools, as borrower.

F. The Notes are secured, in part, by (i) a pledge and assignment of Payments (as defined in the Indenture), including without limitation, all amounts of money received by the Trustee with respect to

IN WITNESS WHEREOF, the parties have caused this Intercreditor and Subordination Agreement to be duly executed as of the date first above written.

**CHARTER SCHOOL CAPITAL, INC.,
a Delaware corporation**

By: _____
Name: Brad Coburn
Title: Chief Financial Officer

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Name: Jeannie Mar
Title: Authorized Signatory

CONSENT OF DEBTOR (INSPIRE CHARTER SCHOOL – LOS ANGELES)

The undersigned, Alice Wong, the President of Inspire Charter School - Los Angeles, hereby consents, acknowledges and agrees to the terms and conditions of this Intercreditor and Subordination Agreement, as of the date first indicated above.

By: _____
Name: Alice Wong
Title: President

CONSENT OF DEBTOR (INSPIRE CHARTER SCHOOLS – WINSHIP-CENTRAL)

The undersigned, Shonna Franzella, the President of Inspire Charter Schools – Winship-Central, hereby consents, acknowledges and agrees to the terms and conditions of this Intercreditor and Subordination Agreement, as of the date first indicated above.

By: _____
Name: Shonna Franzella
Title: President

CONSENT OF DEBTOR (CLARKSVILLE CHARTER SCHOOL)

The undersigned, Emily Allen, the President of Clarksville Charter School, hereby consents, acknowledges and agrees to the terms and conditions of this Intercreditor and Subordination Agreement, as of the date first indicated above.

By: _____
Name: Emily Allen
Title: President

CONSENT OF DEBTOR (PACIFIC COAST ACADEMY)

The undersigned, Karra Gordon, the President of Pacific Coast Academy, hereby consents, acknowledges and agrees to the terms and conditions of this Intercreditor and Subordination Agreement, as of the date first indicated above.

By: _____
Name: Karra Gordon
Title: President

CONSENT OF DEBTOR (HEARTLAND CHARTER SCHOOL)

The undersigned, Anthony Miranda, the President of Heartland Charter School, hereby consents, acknowledges and agrees to the terms and conditions of this Intercreditor and Subordination Agreement, as of the date first indicated above.

By: _____
Name: Anthony Miranda
Title: President

**CALIFORNIA SCHOOL FINANCE AUTHORITY
REVENUE NOTES
(INSPIRE CHARTER SCHOOLS)
SERIES 2019 (TAXABLE)**

**CERTIFICATE OF INSPIRE CHARTER SCHOOLS - WINSHIP-CENTRAL
AS TO FINALITY OF PRELIMINARY LIMITED OFFERING MEMORANDUM**

I hereby certify that I am the President of Inspire Charter Schools - Winship-Central (“INSPWC”), and as such I am authorized to execute this Certificate on behalf of INSPWC.

I hereby further certify that there has been delivered to Piper Jaffray & Co., as underwriter (the “Underwriter”) of California School Finance Authority Revenue Notes (Inspire Charter Schools) Series 2019 (Taxable) (collectively, the “Notes”) a preliminary Limited Offering Memorandum relating to the Notes, dated the date hereof (including the cover page and all appendices thereto, the “Preliminary Limited Offering Memorandum”), which INSPWC deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12.

INSPWC hereby approves of the use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum.

Dated: _____, 2019

**INSPIRE CHARTER SCHOOLS - WINSHIP-
CENTRAL**, a California nonprofit public benefit
corporation

By: _____
Shonna Franzella
President

§ _____
CALIFORNIA SCHOOL FINANCE AUTHORITY
REVENUE NOTES
(INSPIRE CHARTER SCHOOLS)
SERIES 2019A (TAXABLE)

CLOSING CERTIFICATE OF INSPIRE CHARTER SCHOOL – WINSHIP-CENTRAL

Dated: February 11, 2019

The undersigned, a duly authorized representative of Inspire Charter Schools - Winship-Central, a California nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”), in connection with the issuance, sale and delivery by the California School Finance Authority (the “Authority”) of the above-captioned notes (the “Notes”) does hereby certify as of the date hereof on behalf of the Borrower, as follows (capitalized terms used and not defined in this Certificate shall have the respective meanings given thereto in the within-defined Indenture):

1. Attached hereto as **Exhibit A** is a true, correct and complete copy of the resolution of the Borrower, duly adopted on February 1, 2019, by the Board of Directors of the Borrower (the “Resolution”). Said resolution has not been amended, altered or repealed and is in full force and effect on the date hereof.

2. The documents executed and delivered by the Borrower in connection with the Bonds, including (but not limited to) the documents and instruments listed below (collectively, the “Borrower Documents”) have been duly executed and delivered by the Borrower, in the name of and on behalf of the Borrower in its respective capacities (as specified therein), pursuant to and in full compliance with authority granted by the Board of Directors of the Borrower and the Resolution, and has not been amended, modified or rescinded as of the date hereof.

<u>DOCUMENT</u>	<u>DATED DATE</u>	<u>PARTIES</u>
Loan Agreement	February 1, 2019	Authority and Borrower and other Borrowers
Intercreditor and Subordination Agreement	February __, 2019	Charter School Capital, Inc., the Trustee, and Borrower and other Borrowers
Note Purchase Agreement	February __, 2019	Underwriter, the Authority, the Treasurer, and Borrower and other Borrowers

<u>DOCUMENT</u>	<u>DATED DATE</u>	<u>PARTIES</u>
Requisitions of applicable account of Working Capital Fund	February __, 2019	Borrower
Continuing Disclosure Agreement	February __, 2019	Borrower and other Borrowers, and Inspire Charter School
Limited Offering Memorandum	February __, 2019	Borrower and other Borrowers

3. The form, terms and provisions of the Borrower Documents and the maturity, interest rate, redemption terms and sale price of the Bonds, all as provided in the Indenture and said Borrower Documents, are hereby, in all respects, approved.

4. To the best of its knowledge, no events have occurred or failed to occur which, with the lapse of time or the giving of notice, or both, would constitute or result in default in the performance of any of the Borrower’s warranties, representations or undertakings contained in any of the Borrower Documents.

5. All conditions required to be satisfied or performed under the terms of the Borrower Documents, prior to the sale of the Notes and the issuance of the Notes, have been duly satisfied and performed.

6. The Borrower is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California. The Borrower has full power and authority to engage in the business and activities conducted or proposed to be conducted by it with respect to the Project, to execute and deliver the Borrower Documents, to be bound by the terms of the Borrower Documents and the Indenture, to perform its obligations thereunder, including the making of payments as provided in the Borrower Documents, and to authorize the use of the Preliminary Limited Offering Memorandum, dated February __, 2019, (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated February __, 2019 (the “Limited Offering Memorandum”) relating to the Notes and to execute and deliver such other documents as may be reasonably necessary to perform its obligations under the Borrower Documents and the Indenture.

7. The Borrower has duly authorized the execution and delivery of the Borrower Documents and it has obtained all necessary consents and/or approvals to carry out its obligations under the same and by doing so is not in violation of or in default under (i) any of the terms or provisions of its articles of incorporation or bylaws, or any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are bound, or to which it or any of its assets are subject, or (ii) to the best of its knowledge, any constitutional or statutory provision or order, rule, regulation, decree, or ordinance of any court, government, or governmental body to which the Borrower or any of its properties, in any material respect, is

subject, wherein a default or violation of any of the above in (i) or (ii) would adversely affect the transactions contemplated by or the validity of the Borrower Documents or the Bonds; and the execution and delivery of the Borrower Documents and compliance with the terms, conditions and provisions of the Borrower Documents will not conflict with, result in the breach of, or constitute a default under any of the foregoing.

8. There is no default by the Borrower in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or agreement under and subject to which any indebtedness for borrowed money has been incurred; no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

9. The representations and warranties of the Borrower contained herein and in the Borrower Documents are true and accurate on and as of the date hereof. The Borrower has complied or is presently in compliance with agreements and satisfied all conditions on its part to be observed or satisfied under the Borrower Documents and the Indenture at or prior to the date hereof. Subsequent to the dates as of which information is given in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and prior to and including the date hereof, there has been no material adverse change in the financial position or results of operation of the Project or the business, properties, condition (financial or other) or results of operations of the Borrower or any School, whether or not arising from transactions in the ordinary course of business, nor has the Borrower incurred any material liability with respect to the Facilities or the operations of the Borrower other than in the ordinary course of business, except as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and used in connection with the sale of the Bonds.

10. The Borrower is not in default in the performance of any of the covenants, agreements or provisions contained in the Borrower Documents and applicable to the Borrower or the Landlord.

11. To the best knowledge of the undersigned, no event as occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the date hereof any statement or information (other than the information provided by the Authority in the “THE AUTHORITY” portion of the Limited Offering Memorandum, the information provided by the Underwriter in the “UNDERWRITING” portion of the Limited Offering Memorandum and the information regarding The Depository Trust Company in the Limited Offering Memorandum) contained in the Limited Offering Memorandum or is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading.

12. Except as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there is no legal action, suit, proceeding, inquiry, or investigation at law or in equity, before or by any court, agency, arbitrator, public board, or body or other entity or person, pending or, to the Borrower’s knowledge, overtly threatened against or affecting the Borrower, nor any basis therefor, (i) which seeks to restrain or enjoin the issuance or delivery of

the Bonds, or (ii) which seeks to in any way contest the organization or existence of the Borrower or the ability of the officers and directors of the Borrower to act on behalf of the Borrower, or (iii) which seeks to contest or, if determined adversely against the Borrower, would have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Borrower Documents or the Indenture, (B) the validity or enforceability of the Borrower Documents or any other agreement or instrument to which the Borrower is a party and that is used or contemplated hereby or thereby, (C) the exclusion from gross income for federal income tax purposes of interest on the Bonds, or (iv) which contests in any way the completeness or accuracy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or (v) wherein an unfavorable decision, ruling, or finding would have a material adverse effect upon the financial condition or operations of the Borrower. The Borrower is not subject to any judgment, decree, or order entered in any lawsuit or proceeding brought against it that would have a material adverse effect upon the financial conditions or operations of the Borrower.

13. All consents, approvals, authorizations, or orders of, notices to, or filings, registrations, or declarations with, any court or governmental authority, board, agency, commission, or body having jurisdiction which are required on behalf of the Borrower for the execution and delivery by the Borrower of the Borrower Documents or the consummation by the Borrower of the transactions contemplated thereby and by the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum have been obtained.

14. There is no litigation or proceeding pending, or to the Borrower's knowledge, overtly threatened, challenging the validity of the Borrower Documents or seeking to restrain or enjoin the transactions contemplated by the Borrower Documents, the Indenture or the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum or the performance of the Borrower's obligations thereunder, or challenging the Project and other purposes to be financed by these proceedings, or in any way contesting the corporate existence or powers of the Borrower.

15. The Borrower Documents have been duly authorized, executed and delivered by the Borrower, are in full force and effect, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights and by the application of general principles of equity.

16. The Articles of Incorporation and Bylaws of the Borrower attached here as **Exhibit B** are true, correct, complete and in full force and effect as of this date without further amendment and no proceedings for the liquidation or dissolution of the Borrower have been instituted or are pending or to the best of the Borrower's knowledge threatened.

17. Attached hereto as **Exhibit C** are the Good Standing Certificates of the Borrower from the Secretary of State, which standing has not been revoked as of the date hereof and no proceedings have been instituted or, to the knowledge of the Borrower, are threatened which would jeopardize the standing of the Borrower as set forth in such Good Standing Certificate.

18. Attached hereto as **Exhibit D** is the 501(c)(3) determination letter of the Borrower, which has not been revoked as of the date hereof and no proceedings have been instituted or, to the knowledge of the Borrower, are threatened which would jeopardize the standing of the Borrower as set forth in such letter.

19. Attached hereto as **Exhibit E** is the entity status letter of the Franchise Tax Board of the State, which has not been revoked as of the date hereof and no proceedings have been instituted or, to the knowledge of the Borrower, are threatened which would jeopardize the standing of the Borrower as set forth therein.

20. The Borrower hereby confirms that for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the “Rule”) that the Preliminary Limited Offering Memorandum was deemed final as of its date.

21. All resolutions necessary to be adopted in connection with the transactions contemplated by the Limited Offering Memorandum have been adopted, have not been amended, modified or rescinded, and are in effect as of the date hereof.

22. Any certificate signed by the Borrower and delivered in connection with the transactions contemplated by the Limited Offering Memorandum pertaining to the Bonds shall be deemed to be a representation and warranty by the Borrower to the Underwriter and the Authority as to the representations made and information furnished by the Borrower therein.

23. The sum of the amount borrowed to finance working capital and the interest payable on the working capital for the Borrower does not exceed 85 percent of the estimated amount of income, revenue, cash receipts, and other funds to be received by the Borrower, which will be available during the term of the Loan, for the repayment of the Loan and interest on the Loan.

24. During the term of the Loan, the Borrower will receive or otherwise have (without additional borrowing) sufficient funds to repay and discharge the Loan, based on all funds received by the Borrower and future projections upon historical experience and reasonable expectations.

25. The Authorized Representative(s) who is initially designated to sign documents on behalf of the Borrower, in its capacity as Borrower under the Loan Agreement, with respect to the related documents is:

Shonna Franzella, President

This Certificate may be relied upon by Musick, Peeler & Garrett LLP in rendering its legal opinion (the “Opinion”) addressed to the Authority and the Underwriter in connection with the Transaction and may be delivered to, and relied upon by, the Authority, WTNA and the Underwriter in connection with the Bonds and the Opinion.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first written above.

INSPIRE CHARTER SCHOOLS – WINSHIP-CENTRAL,
a California nonprofit public benefit corporation

By: _____

Shonna Franzella
President

LIST OF EXHIBITS

- EXHIBIT A BORROWER’S RESOLUTION
- EXHIBIT B ARTICLES AND BYLAWS
- EXHIBIT C GOOD STANDING CERTIFICATES
- EXHIBIT D DETERMINATION LETTER
- EXHIBIT E ENTITY STATUS LETTER

Notice to the State Controller Pursuant to Education Code Section 17199.4

February 11, 2019

Re: California School Finance Authority Revenue Notes (Inspire Charter Schools) Series 2019A

WHEREAS, Inspire Charter Schools – Winship-Central, a California nonprofit public benefit corporation (the “Borrower”) has entered into a Loan Agreement, dated as of February 1, 2019, among the California School Finance Authority (the “Issuer”) and five nonprofit public benefit corporations, including the Borrower, providing for a loan (the “Loan”) for the financing, in part, of working capital for the Borrower;

WHEREAS, the Borrower operates Inspire Charter School - Central, a school established pursuant to the Charter Schools Act of 1992, as amended, constituting Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code of the State of California (CDS #10 62547 0135103); and

WHEREAS, the Issuer has issued its above-referenced revenue notes (the “Notes”) to fund the Loan;

NOW THEREFORE, NOTICE IS HEREBY GIVEN PURSUANT TO SECTION 17199.4(c)(2) OF THE EDUCATION CODE OF THE STATE OF CALIFORNIA TO THE STATE CONTROLLER OF THE STATE OF CALIFORNIA (the “State Controller”), that:

1. The governing board of the Borrower has elected, pursuant to a resolution adopted on February 1, 2019 and Section 17199.4(c)(1) of the Education Code, to direct the State Controller to make transfers at the times and in the amounts (or such lesser amounts as are available to transfer) in the “State Intercept” column set forth on Schedule I attached hereto, directly to Manufacturers Traders Trust Company. If the amount transferred on any transfer date is less than the amount in the “State Intercept” column set forth on Schedule I attached hereto, then such deficiency shall be added to subsequent transfers until no deficiency remains.

2. The Borrower hereby represents and certifies that it is not submitting the notice for the purpose of accelerating the Borrower’s receipt of apportionments under Section 42238.02 of the Education Code of the State of California.

3. Transfers pursuant to paragraph 1 above shall be paid by wire transfer of immediately available funds to:

Manufacturers Traders Trust Co.
1100 North Market Street
Rodney Square North
Wilmington, DE 19890
ABA #: 031100092
A/C #: 133924-000
Account Name: CSFA Inspire Revenue Fund
Attn: Jeanie Mar

(Remainder of page intentionally left blank)

**INSPIRE CHARTER SCHOOLS – WINSHIP-
CENTRAL,**
a California nonprofit public benefit corporation

By: _____
Name: Shonna Franzella
Its: President

Schedule I

Intercept Payment Payees, Amounts and Dates

[SCHEDULE ATTACHED]

(Remainder of page intentionally left blank)

STATE OF CALIFORNIA
STATE CONTROLLER'S OFFICE
 ELECTRONIC FUNDS TRANSFER AUTHORIZATION

FAM 34 (Rev. 02/17)

SECTION A

1. TYPE OF ENROLLMENT ACTION 1. <input type="checkbox"/> NEW 2. <input type="checkbox"/> CHANGE 3. <input type="checkbox"/> CERTIFICATION 4. <input type="checkbox"/> CANCEL	2. ENTITY NAME
--	----------------

SECTION B

1. TYPE OF ACCOUNT <input type="checkbox"/> C (Checking) <input type="checkbox"/> S (Savings)																					
2. ROUTING NUMBER <table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> <td style="width: 30px;"></td> </tr> </table>																					3. DEPOSITOR ACCOUNT NUMBER
4. FINANCIAL INSTITUTION NAME																					
5. BRANCH NUMBER OR NAME	Telephone Number																				
6. FINANCIAL INSTITUTION ADDRESS Number and Street	City State Zip																				

SECTION C

1. CHECK APPROPRIATE BOX <input type="checkbox"/> Authorize direct deposit of payments due the entity named in Section A into the designated account. <input type="checkbox"/> Cancel direct deposit for the entity named in Section A.	
2. CERTIFICATION <input type="checkbox"/> I certify that the entire amounts authorized to be received by this account are not subject to be transferred to a foreign bank account. If this box is not checked, the State Controller's Office will issue all payments by <u>warrant only</u> .	
AUTHORIZED SIGNATURE FOR THE ENTITY NAMED IN SECTION A	PRINT OR TYPE NAME
TELEPHONE NUMBER	DATE

GENERAL INSTRUCTIONS

- To enroll for direct deposit of payments by the State Controller's Office, complete Sections A, B, and C of this form.
- To change, certify, or cancel your existing direct deposit information, complete Sections A, B, and C of this form.
- Contact your financial institution for your routing number and depositor account number.
- Your direct deposit will continue to be deposited into your designated account at your financial institution until the State Controller's Office is notified that you wish to redesignate your account and/or your financial institution. To redesignate, complete and submit a new form with the new information. **DO NOT CLOSE YOUR OLD ACCOUNT UNTIL YOUR FIRST PAYMENT IS DEPOSITED INTO YOUR NEWLY DESIGNATED ACCOUNT AND/OR FINANCIAL INSTITUTION.**
- This authorization remains in full force and effect until the State Controller's Office receives written notification from the entity of its termination, or until the State Controller's Office terminates the agreement.

Return this completed form to:

State Controller's Office
 Attn: Local Reimbursements Section
 Local Government Programs and Services Division
 3301 C Street, Suite 700
 Sacramento, CA 95816
 TEL (916) 324-7876, FAX (916) 323-6527

**REQUISITION NO. 1 FOR THE INSPIRE CENTRAL ACCOUNT OF
THE WORKING CAPITAL FUND**

The undersigned authorized representative of Inspire Charter Schools – Winship-Central, a California nonprofit public benefit corporation (the “Borrower”) hereby requests Wilmington Trust, National Association, as trustee (the “Trustee”) under that certain Indenture, dated as of February 1, 2019 (the “Indenture”), between the California School Finance Authority and the Trustee, to pay to the Persons (which can be the Borrower itself) listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Inspire Central Account of the Working Capital Fund established and maintained under the Indenture.

The Borrower hereby certifies that (a) there has not been filed with or served upon the Borrower any notice of claim of lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this Requisition, that has not been released or will not be released simultaneously with the payment of such obligation, and (b) no Event of Default has occurred under the Loan Agreement.

All payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule I and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

Dated: _____

**INSPIRE CHARTER SCHOOLS – WINSHIP-
CENTRAL**, a California nonprofit public benefit
corporation

By: _____
Shonna Franzella
President

SCHEDULE I

[See Attached.]

[\$[PAR AMOUNT]]
CALIFORNIA SCHOOL FINANCE AUTHORITY
REVENUE NOTES
(INSPIRE CHARTER SCHOOLS)
SERIES 2019A (TAXABLE)

REQUISITION NO. 1

(Costs of Issuance Fund)

Dated: February 8, 2019

The undersigned, authorized representatives of Inspire Charter School – Los Angeles (“Los Angeles”), Inspire Charter Schools – Winship-Central (“Winship-Central”), Clarksville Charter School (“Clarksville”), Pacific Coast Academy formerly d/b/a Learning Latitudes Charter School (“Pacific Coast”), and Heartland Charter School (“Heartland” and together with Los Angeles, Winship-Central, Clarksville, and Pacific Coast, the “Borrowers”) hereby request Wilmington Trust, National Association, as trustee (the “Trustee”), under that certain Indenture, dated as of February 1, 2019 (the “Indenture”), between the California School Finance Authority (the “Authority”) and the Trustee, and with respect to the above-captioned notes (the “Notes”), to pay to the persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Costs of Issuance Fund established and maintained under Section 5.07 of the Indenture.

The Borrowers hereby certify that obligations in the stated amounts have been incurred by the Borrowers and are presently due and payable and that each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from said fund or account.

All payments shall be made in accordance with the payment instructions set forth on Schedule I attached hereto, and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Dated as of the date first written above.

**INSPIRE CHARTER SCHOOLS – WINSHIP-
CENTRAL,**
a California nonprofit public benefit corporation

By:

Shonna Franzella
President

Schedule I

(COSTS OF ISSUANCE FUND REQUISITION)

[Attach closing memorandum of the underwriter]