

LAUSD FINANCING CORPORATION

MEETING AGENDA

Board Room
333 S. Beaudry Ave., Los Angeles
11:00 a.m. Tuesday, June 13, 2023

- I. Call to Order
- II. Approval of prior meeting minutes
- III. Appointment, Designation and Ratification of Officers
- IV. Approval of a Resolution of the Board of Directors of the LAUSD Financing Corporation authorizing the preparation and sale of not to exceed \$500,000,000 aggregate principal amount of Lease Obligations, including an assignment of Lease Agreement and Certificates of Participation, 2023 Series A in one or more series by either private placement or negotiated public sale
- V. Adjournment

Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to the Board Secretariat in person or by calling (213) 241-7002.

Individuals wishing to speak at the Finance Corporation meeting must sign up at the meeting. There will be no sign ups in advance of the meeting. Speakers must sign up prior to the item being acted upon by the Corporation board.

If you or your organization is seeking to influence an agreement, policy, site selection or any other LAUSD decision, registration may be required under the District's Lobbying Disclosure Code. Please visit www.lausd.net/ethics to determine if you need to register or call (213) 241-3330.

Materials related to an item on this Agenda are available for public inspection at the Security Desk on the first floor of the Administrative Headquarters.

Items circulated after the initial distribution of materials are available for inspection at the Security Desk.

MINUTES OF THE
ANNUAL ORGANIZATIONAL MEETING OF THE
LAUSD FINANCING CORPORATION

September 27, 2022

The annual meeting of the Board of Directors of the LAUSD Financing Corporation was called to order on Tuesday, September 27, 2022 at 1:42 p.m. at the Los Angeles Unified School District, 333 South Beaudry Avenue, Los Angeles, California.

The following directors were present: Ms. Monica Garcia, Ms. Jackie Goldberg, Dr. George McKenna, Mr. Nick Melvoin, Ms. Tanya Ortiz Franklin, Mr. Scott Schmerelson, and Ms. Kelly Gonez.

APPROVAL OF PRIOR MINUTES

Ms. Garcia moved the approval of the minutes taken at the last corporation's meeting on August 24, 2021.

Mr. Melvoin seconded the motion, which was adopted by general consent.

APPOINTMENT, DESIGNATION AND RATIFICATION OF OFFICERS

Ms. Garcia moved the approval of the Officers of the LAUSD Financing Corporation:

The President of the LAUSD Board of Education, Ms. Kelly Gonez was appointed President of the LAUSD Financing Corporation. The Vice President of the LAUSD Board of Education, Mr. Nick Melvoin was appointed Vice President of the LAUSD Financing Corporation. The Treasurer shall be the Chief Financial Officer of the District, Mr. David D. Hart, and the Secretary shall be the Controller of the District, Ms. Joy Mayor.

Mr. Melvoin seconded the motion, which was adopted by general consent.

ADJOURNMENT

On the motion by Ms. Garcia seconded by Mr. Nick Melvoin, the meeting was adjourned by general consent at 1:43 p.m.

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAUSD FINANCING CORPORATION AUTHORIZING THE PREPARATION AND SALE OF NOT TO EXCEED \$500,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE OBLIGATIONS, INCLUDING AN ASSIGNMENT OF LEASE AGREEMENT AND CERTIFICATES OF PARTICIPATION, 2023 SERIES A IN ONE OR MORE SERIES BY EITHER A PRIVATE PLACEMENT OR NEGOTIATED PUBLIC SALE, THE PREPARATION, EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO, INCLUDING AN OFFICIAL STATEMENT, ASSIGNMENT AGREEMENT, TRUST AGREEMENT, LEASE AGREEMENT, SITE LEASE AND CONTRACT OF PURCHASE AND AUTHORIZING AND DIRECTING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Los Angeles Unified School District (the “District”) is a school district organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”); and

WHEREAS, the LAUSD Financing Corporation is a nonprofit public benefit corporation (the “Corporation”) duly organized and existing under the laws of the State, including, without limitation, the Nonprofit Public Benefit Corporation Law (Sections 5110 *et seq.* of the State Corporations Code), with the authority to provide financial assistance to the District by acquiring, constructing, remodeling, rehabilitating, equipping, improving and financing various public facilities, land and equipment, and by leasing certain facilities, land and equipment for the use, benefit and enjoyment of the public served by the District, as well as any other purpose incidental thereto; and

WHEREAS, the Corporation and the District have determined that it would be in the best interests of the Corporation, the District and the citizens of the District to authorize the incurrence of lease obligations through either (i) a private placement with one or more Direct Purchasers (as herein defined) of an assignment of the Lease Agreement hereinafter authorized (the “Assignment of Lease Agreement”) or (ii) the preparation, sale (as either private sale to a Direct Purchaser or public sale to one or more underwriters), execution and delivery of Certificates of Participation, 2023 Series A, in one or more series (with such other or additional series designations as may be approved by the District) in an aggregate principal amount not to exceed \$500,000,000 (the “Certificates”), pursuant to the terms of the Trust Agreement (the “Trust Agreement”), by and among the District, the LAUSD Financing Corporation, a nonprofit public benefit corporation (the “Corporation”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), which Certificates shall evidence the proportionate interests in the lease payments and prepayments to be made by the District, in each case to finance the costs of the acquisition, development and installation of certain equipment for use by the District in connection with its educational, administrative and ancillary activities, including the acquisition, development and installation of certain information technology systems, and the construction and improvement of

school buildings and administrative and athletic structures and facilities, together with parking and transportation facilities and playgrounds (collectively, the “Project”); and

WHEREAS, the District shall determine which of the above methods of financing the Project is in the best interest of the District; and

WHEREAS, the District and the Corporation desire to facilitate the financing of the Project by entering into the Site Lease (the “Site Lease”), by and between the District and the Corporation, pursuant to which the District will lease to the Corporation real property to be selected by the Chief Business Officer of the District, the Deputy Chief Business Officer of the District and the Controller of the District, or any one of such officers acting singly, in accordance with District practice, and designated in the Site Lease, together with the facilities and improvements thereon (collectively, the “Property”); and

WHEREAS, the District and the Corporation propose to enter into the Lease Agreement (the “Lease Agreement”), by and between the District and the Corporation, pursuant to which the Corporation will sublease the Property back to the District and the District will pay lease payments for use of the Property to be evidenced and represented by the Certificates; and

WHEREAS, in such instance as the District determines to finance the prepayment of the Prior Certificates pursuant to the Assignment of Lease Agreement or the private placement sale of the Certificates to one or more “qualified institutional buyers” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and/or “accredited investors” as defined in Section 501(a)(1), (2), (3) (7) or (8) of Regulation D promulgated under the Securities Act, provided that each equity owner of an “accredited investor” as defined in Section 501(a)(8) of Regulation D shall be an “accredited investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D (each, a “Direct Purchaser”) pursuant to one or more Contracts of Purchase (each, a “Private Sale Contract of Purchase”), the District proposes to engage, pursuant to a Placement Agent Agreement (the “Placement Agent Agreement”), with the Corporation and any broker-dealer on the District’s underwriter bench (each, a “Placement Agent” and, collectively, the “Placement Agents”), as authorized herein; and

WHEREAS, in such instance as the District determines to sell the Certificates by a public sale to one or more underwriters from the District’s underwriter bench, the District proposes to enter into one or more Contracts of Purchase (each, a “Public Sale Contract of Purchase” and together with the Private Sale Contract of Purchase, the “Contracts of Purchase”) with said underwriters as authorized herein; and

WHEREAS, the Corporation desires to assign without recourse certain of its rights under the Site Lease and the Lease Agreement, including all of its rights to receive the lease payments scheduled to be paid by the District pursuant to the Lease Agreement, either to the Direct Purchasers or to the Trustee for the benefit of either the Direct Purchasers or the owners of the Certificates as applicable, pursuant to an Assignment Agreement (the “Assignment Agreement”), by and between the Corporation and the Direct Purchasers or the Trustee, as applicable; and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with a public offering of the initial series of Certificates has been prepared (such Preliminary

Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”); and

WHEREAS, the Corporation desires to approve the forms of certain of the financing documents to be executed and delivered by it in connection with the sale and delivery of the Certificates; and

WHEREAS, the Corporation has determined that it may be in the best interests of the Corporation and the District to obtain credit enhancement and such other insurance policies or surety as may be necessary to improve the marketability of the Certificates; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate its role in such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, the Board of Directors of the LAUSD Financing Corporation (the “Board of Directors”) does hereby resolve as follows:

SECTION 1. Findings. The Board of Directors hereby specifically finds and declares that the above recitals are true and correct and that the statements, findings and determinations of the Corporation set forth in the preambles of the documents approved herein are true and correct.

SECTION 2. Authorization of Assignment of Lease Agreement and Execution and Delivery of Certificates. The Board of Directors hereby authorizes the financing of the prepayment of the Prior Certificates by either (i) the Assignment of Lease Agreement by private placement with one or more Direct Purchasers or (ii) the execution and delivery of the Certificates in one or more series either through private placement with one or more Direct Purchasers or by public sale to one or more Underwriters, in the form of tax-exempt or federally taxable lease obligations in an amount not to exceed \$500,000,000, all as shall be determined by the Chief Business Officer of the District to be in best interest of the District considering, among other factors, the timing of each sale, expected interest cost, debt structure flexibility and the ability to work with underwriters and placement agents familiar with the District, and consistent with the District’s Debt Management Policy. The proceeds of the sale of the lease obligations will be used to (i) finance the Project, (ii) fund a reserve fund or obtain a reserve surety, if deemed beneficial for the financing, and (iii) pay costs of sale and delivery of the lease obligations, including costs of any credit enhancement or such other insurance policy. The Certificates shall be designated as “Certificates of Participation, 2023 Series A” with such other or additional designations as may be approved in accordance with this Resolution.

SECTION 3. Lease Agreements. The forms of the Lease Agreements presented to this meeting and on file with the Secretary of the Corporation (the “Secretary”) are approved with a term not to exceed 20 years (subject to extension as provided in the Lease Agreement and Site

Lease). Each of the Treasurer of the Corporation, the Secretary, and the authorized designees of such officers (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the District the respective Lease Agreement for the financing. The respective Lease Agreement shall be executed in substantially said form, with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Trust Agreement. The form of the Trust Agreement presented to this meeting and on file with the Secretary is approved for use in connection with the execution and delivery of Certificates. Each of the Authorized Officers, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the District and the Trustee said Trust Agreement. The Trust Agreement shall be executed in substantially the form hereby approved, with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Site Leases. The forms of the Site Leases presented to this meeting and on file with the Secretary are approved. Each of the Authorized Officers, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the District the respective Site Lease for the financing. The respective Site Lease shall be executed in substantially said form, with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Assignment Agreements. The forms of the Assignment Agreements presented to this meeting and on file with the Secretary is approved. Each of the Authorized Officers, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the Trustee the respective Assignment Agreement. The respective Assignment Agreement shall be executed in said form, with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. Contracts of Purchase and Placement Agent Agreement. The form of the Contract of Purchase presented to this meeting and on file with the Secretary is hereby approved. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver the respective Contract of Purchase for the financing in substantially said form, with such additions thereto and changes therein as are approved by such Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof, including such changes, insertions and omissions as are necessary to reflect that the sale of a series or subseries of Certificates or the sale to one or more Direct Purchasers or as necessary to reflect an Assignment of Lease Agreement to one or more Direct Purchasers, such requirement or approval to be conclusively evidenced by the execution of the applicable Contract of Purchase by such Authorized Officer. In connection with the Assignment of Lease and if otherwise determined by an Authorized Officer, a Placement Agent Agreement presented to this meeting and on file with the Secretary is hereby approved with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to

be conclusively evidenced by the execution of the applicable Placement Agent Agreement by such Authorized Officer.

SECTION 8. Official Statement. In connection with the execution and delivery of the Certificates in connection with a public sale to one or more Underwriters, or if an Authorized Officer determines the distribution of an official statement or other disclosure document relating to the Certificates or the Assignment of Lease Agreement to a Direct Purchaser in connection with a private placement to be necessary, the official statement (the "Official Statement") in preliminary form presented to this meeting and on file with the Executive Officer is hereby approved together with any amendments or supplements to the preliminary Official Statement or the Official Statement which an Authorized Officer may deem necessary or desirable. If the Official Statement is to be distributed in connection with a public sale of Certificates, the Underwriter or Underwriters are hereby authorized to distribute copies of the Official Statement in preliminary form to persons who may be interested in purchasing the Certificates.

SECTION 9. Attestations. Each of the Authorized Officers are hereby authorized and directed to attest to the signature of the other Authorized Officer and any other persons as may have been designated by the President or Vice President of the Corporation are hereby authorized and directed to attest to the signatures of the Authorized Officers, as may be required or appropriate in connection with the execution and delivery of the Certificates, the Assignment Agreement, the Lease Agreement, the Trust Agreement, the Site Lease and any other documents as shall be determined by any Authorized Officer to be necessary to the completion of the financing, and as each may be applicable to the method of financing determined by the District.

SECTION 10. Other Actions; Additional Authority. Pursuant to the Bylaws of the Corporation, the President, Vice President, Treasurer, Secretary and such other officers of the Corporation are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to consummate the Assignment of Lease Agreement or the sale and delivery of the Certificates and otherwise to carryout, give effect to and comply with the terms and intent of this Resolution, the Certificates, the Site Lease, the Lease Agreement, the Trust Agreement, the Assignment Agreement and the Contract of Purchase, including but not limited to any certificates, and the purposes for which the Corporation was formed, and such actions previously taken by such officers and all other officers and agents of the Board of Directors with respect to the Certificates are hereby ratified, confirmed and approved. Each Authorized Officer is hereby authorized and directed, jointly and severally, to execute any amendment to the Assignment Agreement, Lease Agreement, Trust Agreement, Site Lease, and Contract of Purchase that they may deem to be necessary and desirable to remove any ambiguity in such documents or otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

SECTION 11. Effect. This Resolution shall take effect from and after its date of adoption.

ADOPTED AND APPROVED this 13th day of June, 2023 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

President
LAUSD Financing Corporation

I hereby certify that the foregoing resolution was duly introduced, passed and adopted at the time and place and by the vote as noted above.

Secretary
LAUSD Financing Corporation